Money, Its Theory and Practice (Page 24)

THE FINANCIAL POST

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The Nation's Business

Planning To Spend
Mr. Purvis's Giant Task
Re-employment Is Commission's Chief Job
That $6 Millions Pool Hand-out

Discouraging Estimates

THE supplementary estimates brought down at Ottawa are not very encouraging. Mr. Dunning will either have to think up a host of new burdensome taxes or he will fail to balance his budget within the two year limit he is believed to have set himself.

There is one way that the situation can be saved. That is to regard the estimates as the very limit beyond which not a dollar will be spent and to endeavor to keep expenditures so far within that limit that the budget can and will be balanced.

Governments are not very good at falling below their estimates in expenditures. Maybe Mr. King and Mr. Dunning are different. The producers of Canada hope so.

* * *

Re-employment Commission

THE National Unemployment Commission (which ought to be called the Re-employment Commission) is not an administrative body. It can study, report and advise. This is at once its weakness and its strength, according to the point of view. Its weakness, because the chairman, Arthur B. Purvis, and his associates have no power to direct the expenditure of relief funds and cannot dictate the governmental policies which are necessary if re-employment is to flourish. Its strength, because the dominion and provincial governments cannot pass the buck for action when the responsibility for action remains theirs and theirs alone.

What can such a commission do and what is it likely to do?

* * *

ONE of its tasks must be to investigate the manner in which relief funds are spent. The present division of cost and responsibility between three classes of governments has led to appalling waste and racketeering. If the commission can expose such waste, and suggest more uniform principles of relief spending it can save the taxpayers many millions a year.

But its major task must be constructive rather than merely protective. It must stimulate the country to a vigorous co-operative effort to put unemployed citizens back to work and thus to reduce relief rolls to minor proportions. There are several directions here in which it can operate.

* * *

ONE is to report on proposed unemployment relief works, to see that when money is invested in new capital improvements it goes into enterprises that are likely to be self-supporting, that will not run up heavy annual bills for upkeep, and that are likely to lead to the further expenditure of private capital to supplement the public funds that are spent.

Another is, through advertising, publicity and other forms of propaganda, to instill into the minds of Canadians a consciousness of the fact that recovery cannot come through governmental effort alone but must be the product of individual initiative on the part of business leaders and self-reliance on the part of workers. If the commission can make people suspicious of the false doctrine that "the state owes every man a living" it will do a major job.

* * *

FINALLY the commission will discover that tariffs, taxes and all forms of legislation have much to do with creating the conditions under which re-employment will be either restricted or encouraged. As independent observers of the economic scene the commissioners should hold themselves free to advise against tariff or taxation changes—whether up or down—that promise a net reduction in employment.

There seems to be a recognition on the part of the prime minister and of his minister of labor, Mr. Rogers, that an adequate number of permanent jobs, sufficient to end unemployment, can be created only through private effort working in an atmosphere of confidence and co-operation. Such a point of view is also to be expected of the chairman of the commission. If the new body can get this vital truth over to the public, it will not have been appointed in vain.

* * *

That $6 Millions Pool Hand-out

THE Winnipeg Free Press discusses the wheat payments to be made to certain pool farmers in respect to the crop of 1930, to permit which special legislation was recently put through Parliament. That paper takes the ground that it has not yet been established that any liability rested on the government, either legally or morally, to make these payments. It stops short of condemning the payments as im-

(Continued on page 2, col. 4)

Saguenay Power Vote Kills Scheme For Price Bros.

Compromise With Pacona One of Four Possible Developments

NEXT MOVE UNKNOWN

From Our Own Correspondent

MONTREAL.—As was expected, but uncertain until the time of voting, Saguenay Power Co., one of the largest unsecured creditors, voted against the internal reorganization of Price Bros. & Co. and thus blocked the plan sponsored by Lord Beaverbrook, Bowaters Paper Mills and a group of Canadian underwriters.

The move was of particular significance in that Saguenay Power Co. is closely associated with Pacona Ltd., which recently purchased practically all of Price Bros. & Co. outstanding first mortgage bonds. Pacona, in turn, is the stepchild of Lehman Bros., of New York and Aluminium Ltd.

Another Plan Necessary

As the situation now stands the internal plan will not go through. Even had Saguenay Power voted for the scheme, Pacona, with control of the bonds, would have been able to block it. Consequently some other plan must be brought forth before Price Bros. can be taken out of receivership.

Four developments now are possible. First, Price Bros. may be allowed to continue under a receivership until the conflicting interests come together.

Secondly, a compromise may be reached between the "Aluminium" interests and the other group. This is not likely to occur in the near future, if at all. The Aluminium interests already are very heavily interested financially in the Saguenay area and it is the belief that they are anxious to see Price Bros. put on a solid footing, but not on the basis of the plan put forward at this week's Quebec meeting. It would have involved heavier fixed charges when the company is not now in a position to pay interest charges on a small funded debt.

Keep Charges Down

While no official statement has been issued by Aluminium, the original Pacona offer of $20 millions indicated that they wanted to keep fixed charges down to a point where they might be even less than they are under the present set-up, while the equity for the present preferred and common shareholders would be little or nothing.

It was this latter feature that hastened plans for the internal reorganization. The scheme put forward by Beaverbrook Bowater, et al, provided for a substantial proportion of the equity going to the old shareholders.

Could Pay Off Pacona

The third development is for the English-Canadian group to pay off in cash the unsecured creditors and take up the bonds now held by Pacona. It is understood that this development has been ocnsidered seriously, but no decision arrived at, members of the syndicate preferring to wait the outcome of the Quebec meeting. The raising of the additional money, over and above the proposed $7.5 million of new working capital, is a formidable undertaking. It can be done. But in that event it is unlikely that the revised plan would provide for the same measure of equity to the shareholders as set forth in the defeated plan; in other words, the syndicate would expect a larger share in the equity if the amount of capital to be raised is two or three times as much as that set out in the offer just made.

If the English-Canadian group go ahead with this plan and raise the necessary capital to take over the bonds and pay off the unsecured creditors, there then would be no legal opposition from Saguenay Power or Pacona.

Foreclosure Last Step

The fourth development is the possibility of a foreclosure by Pacona Ltd. Price Bros. is in default on its funded debt and as owners of over 90 per cent of the bonds, Pacona could forclose on the property.

Such a step would be taken only as a la t recourse, as the move would involve heavy expenses, political difficulties, etc.

At the moment it is not possible to outline the next step in the affairs of Price Bros. & Co. The opposing groups are likely to sit back and take stock of the situation before making any move to settle their differences or bring about a reorganization of the company along new lines.

Union Gas Starts Regular Dividends

Union Gas Co. of Canada directors have declared a dividend of 10 cents a share payable June 15 to shareholders of record on May 26. Directors announce that the financial position and earnings of the company warrant quarterly dividend payments being resumed. There was a notable improvement in revenue for the year ended March 31, 1936.

Toronto Exchange Seat Sale Price Up to $55,000

Sale of a seat on the Toronto Stock Exchange for $55,000 this week is an increase of $5,000 over the last previo'us sale which occurred several months ago. This week's purchaser is Henry K. Hill, of C. C. Fields & Co., Toronto.

Railways Reduce Passenger Fares

From Our Own Correspondent

MONTREAL. — Basic fares for first class coach travel on Canadian railways will be reduced approximately 13 per cent on June 1 next, according to announcement by Canadian Passengers Association.

Day coach tickets at the new rates will also be good for passage in tourist sleeping cars, on payment of regular berth rates for that class of accommodation.

Long trip tickets will be good for six months, instead of the present limit of 30 days.

There will be a reduction in cost of standard parlor and sleeping car accommodation.

Gross Revenue Of Railways Up Sharply

But C. P. R. Only Shows Net Gain for First Quarter

LABOR COSTS RISE

From Our Own Correspondent

MONTREAL.—Reflecting a greater movement of freight and passenger traffic, operating gross revenue of the Canadian Pacific and Canadian National Railways aggregated over $69.5 millions in the first quarter of 1936. This represents an increase of around 7.40 per ecnt over the same period a year ago.

While increased labor, wages and pension fund payments figure more prominently in operating expenses, aggregate net revenue at better than $2.9 millions was 12½ per cent ahead of 1935. The gain was wholly C. P. R., the C. N. R. reporting a sharp decline.

Following are the operating revenues of the two lines for the first quarter:

Quarter Ended March 31

	1936 $	1935 $
C. P. R.	29,283,992	26,438,271
C. N. R.	40,279,771	38,370,736
Total	69,563,763	64,809,007

The percentage gain by the C.P.R. in this comparative period was about 12.30, while the C. N. R. had an increase of less than 5.

Net results are considerably more in favor of the C. P. R. than the nationally-owned system. This is shown in the following table:

Quarter Ended March 31

	1936 $	1935 $
C. P. R.	2,827,703	2,101,694
C. N. R.	76,742	481,699
Total	2,904,445	2,583,393

As in the case of the gross, net returns of the C. P. R. were up over 34 per cent, while those for the C.N.R. were down 84 per cent.

Power at Peak

Central Stations Set New Record During March

From Our Own Correspondent

MONTREAL. — Canada's central electric stations established a new all-time production record last March with an output of 2,135 million kw.h. The previous monthly record was in October, 1935, when 2,123 million kw.h. were reported.

Exports to the United States last March, according to the Bureau of Statistics, totalled 126 million kw.h., a gain of 22 million kw.h. over the same month last year. At the same time deliveries to electric boilers at 625 million kw.h. established an all-time high, being 107 million kw.h. greater than in March, 1935.

For the first quarter of 1936 consumption amounted to 5,809 million kw.h. as against 5,432 million kw.h. for the same period in 1935. Consumption by areas follows:

Quarter Ended March 31 (Thousands of kilowatt hours)

	1935	1934
Maritimes	165,810	174,835
Quebec	2,569,026	2,399,898
Ontario	2,169,016	2,056,719
Prairies	525,096	432,941
B. C.	380,447	367,992

B.C. Raiding Sinking Fund, Sask. Paying

Believed to Hold $5 Millions of Liquid Securities

SOLVES MATURITIES

Saskatchewan is paying in cash its maturity of $2 millions of 4½ per cent bonds May 1.

Payment had been expected in financial circles in Montreal and in Toronto, and it is believed that bank funds were borrowed by the province. It will be recalled that Saskatchewan was able to meet a maturity earlier this year by bank borrowing.

British Columbia will use liquid Dominion government securities in its sinking fund to raise cash necessary to pay off $3.5 millions of 4 per cent bonds maturing May 15. It has not been revealed when or where securities will be liquidated.

It is believed that saleable securities in the fund total $5 millions or more, although particulars of the holdings have never been published. The province shows the fund at over $30 millions, compared with total funded debt of some $180 millions. While most of the fund's holdings are believed to be B. C. bonds, it is known that securities of other provinces and the Dominion are substantial.

Fund Juggled

This is not the first occasion on which British Columbia has used its sinking fund to handle capital outlays. Last year, the province sold its own bonds to the fund and thereby withdrew some $2 millions in cash for bridge-building and to lend to municipalities.

At 5 per cent, annual earnings of the fund would be about $1.5 million annually. In addition to the portion of sinking fund applicable directly to the maturing issue, there is believed to be some cash on hand in the fund. By using these resources and liquidating some high-quality bonds from the fund, the May 15 payment can be met.

Payment of the May 15 obligation will solve the province's immediate problem of debt maturities. There are no other major principal maturities to meet this year and only two minor payments in 1937.

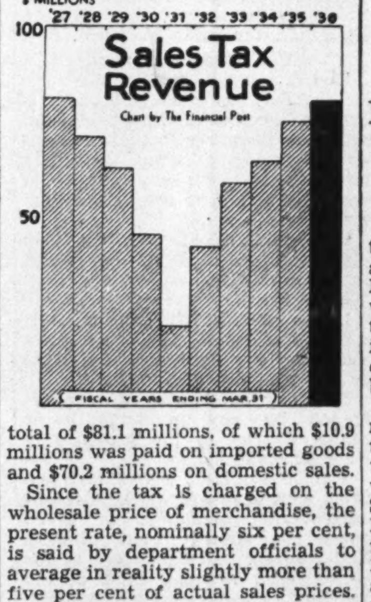
The next maturity of importance is $1 million in July, 1938. By that time accumulated earnings in the sinking fund should exceed $3 millions. Also a provincial election may have intervened.

Retail Sales Up 8 Per Cent

Domestic Tax Collections at Highest Point in 10 Years

An increase of eight per cent in retail sales in Canada for the twelve months ended March 31 is indicated by preliminary returns of sales tax revenue obtained by The Financial Post from the Department of National Revenue, Ottawa.

Receipts reached the highest point in almost ten years, for an estimated



total of $81.1 millions, of which $10.9 millions was paid on imported goods and $70.2 millions on domestic sales.

Since the tax is charged on the wholesale price of merchandise, the present rate, nominally six per cent, is said by department officials to average in reality slightly more than five per cent of actual sales prices. This being true, it would seem that Canadians bought something over $1.4 billions of merchandise subject to sales tax, in Canada, during the past fiscal year, compared with the corresponding figure last year of $1.28 billions and $1.08 billions for the fiscal year 1933-34.

What Investments In Next Five Years?

Economists agree we are about half way through the period of recovery. But what lies ahead? Peace or war? Inflation? Higher or lower taxes? Continued trade revival or stagnation? Normal prosperity or just another "boom"?

These are momentous questions for the investor, for there are serious dangers to be guarded against.

On the other hand, there are plenty of good opportunities for investment, and more will materialize. But how is one to discriminate? How is one to take the fullest possible advantage of economic probabilities?

That is what The Financial Post will endeavor to answer in a series of ten authoritative articles, commencing May 9, on "INVESTING FOR THE NEXT FIVE YEARS."

SHOTGUN WEDDING

—Drawn for The Financial Post by R. Kaell.

New Brunswick Enters Banking Loan Field

Provincial Government Also Puts New Taxes on Business

Thinly disguised as provincial loan offices, New Brunswick is going into the banking business. The loan offices with a wider scope of operation than similar institutions in other provinces follow legislation passed in the provincial legislature shortly before it prorogued.

The bills enable the provincial government to establish offices throughout the province where deposits will be received. Maximum interest on deposits is set at 4 per cent.

To Aid Industry

Deposits are to be used for assistance of agriculture and industry and to promote industrial activity within the province.

In this respect the proposed loan office will be similar to that of Ontario. The Ontario savings offices were intended primarily for the purpose of making farm loans, but unlike the basis of the Ontario organization which cannot make industrial loans, the New Brunswick institution is intended to cover a wider field.

The experience of Ontario's provincial savings office in the more restricted field of farm loans was not particularly successful however, and even these loans have been discontinued as a result of the heavy losses incurred.

Other legislation passed in connection with the New Brunswick loan offices was a bill respecting assistance to industry, which will enable the lieutenant-governor-in-council to enter into agreements

(Continued on page 2 col. 5)

C.G.M. Marine Lowers Flag

Last of Vessels Sold to Australian Group — Heavy Losses

From Our Own Correspondent

MONTREAL.—Created as a wartime measure, and long operated at a loss, the Canadian Government Merchant Marine has sold its last ten vessels to Australian interests with the assurance personnel of the service would be absorbed by the purchasers. At one time there were 66 boats in the service.

According to an official announcement by the Hon. C. D. Howe, Minister of Marines, the sale involves a total net tonnage of 57,658, but in no way affects the Canadian National Steamship Service to the West Indies. The vessels sold to the Australian interests varied in age from 14 to 16 years. The lightest was rated at 5,334 tons and the heaviest two at 7,178 tons. Six were registered at Montreal, two at Prince Rupert and two at Halifax.

Purchased by Three Lines

The ships were operated in the Australian-New Zealand service and were bought by three companies: Ellerman & Bucknall Steamship Co., Commonwealth & Dominion Line, and New Zealand Shipping Co.

The purchasing companies intend to scrap the vessels and place in service faster and more suitable vessels, agreeing to maintain the service for at least five years without subsidy and to retain the staff, afloat and ashore, as a government service.

From 1921 to 1934 the C. G. M. M. operated at a loss, but last year there was a profit of $311,822. The book value of fixed assets in 1935 was $18.2 millions.

The Dominion Government's interest in the service, as shown by the 1935 consolidated statement, amounted to $50.2 millions, of which $18.1 millions represented notes payable secured by mortgages on vessels; $10.3 millions advances for working capital, deficit, etc., and $21.8 millions accrued unpaid interest.

Exports Affect Motor Output

Business figures of the week included final March figures for motor car sales and production in Canada. Compared with February, substantial gains were recorded, but looked at alongside corresponding figures of 1935, passenger car sales gained only 2 per cent in volume, while factory production dropped 20 per cent. The latter figure was largely influenced by a 39 per cent slump in production for export.

Dollar value of passenger car sales rose 5 per cent in March to $9.7 millions; truck sales rose 39 per cent to $2.2 millions—the total ($12 millions) was 10 per cent above last year.

First quarter returns show car and truck sales up 4 per cent in numbers; 6.8 per cent in value over 1935. Factory production figures for the first quarter show a 2.5 per cent drop in domestic output and a 27 per cent decline in exports. Total first quarter output (44,591 units) is 12.2 per cent less than in 1935.

Comparative returns for the week's figures follow:

	March	—Change— From prev. period %	From prev. year %
Monthly:			
Bank debits	*$2,598,811	— 6	+14
Pig iron prod., tons	55,009	— 1	+23
Steel ingots & cast. tons	101,092	+ 8	+75
Motor car sales:			
Passenger	9,451	+122	+ 2
Trucks & buses	2,149	+94	+25
Auto. production:			
Passenger	14,488	+33	—20
Trucks & buses	3,533	+30	— 7
Exports	4,817	— 6	—39
Elec. power output	*2,135,460	+10	+ 9
Trade:			
Plank & bd. exp.	142,062	+49	+41
Crude petrol. imp.	65,383,000	+66	+50
Cotton, raw, imp.	13,588,000	+15	+20
Raw rubber, imp.	4,052,000	— 4	—33
Coal imports	506,260	— 5	— 3
Weekly:			
Car loadings, No.	44,533	+10	+10
Cattle sales, No.	19,428	— 4	+34
Hog sales, No.	19,269	+33	+15

*000's omitted.

Chain Taxes Aim To Kill

Prohibitive taxes against chain stores are under discussion in the provinces of Quebec and Prince Edward Island. In the latter province $2,000 is suggested.

The Magog Bill in Quebec has proposed a tax by the city of $500 on every non-resident individual or corporation for each place of retail business within the municipality.

The clause has been suspended by the private bills committee of the legislature for redrafting. Members of the committee suggested to counsel for the town of Magog that the clause be reworded like a similar clause incorporated in the Montreal bill last year.

Aims of Taxation

William Tremblay, opposition member for Maisonneuve, suggested that the proposed Magog levy be $2,000 if the intention was to get rid of chain stores, which he described as, "these people who rob the public and pay miserable wages to employees."

Montreal taxation against chain stores is being contested by the chains. Litigation will be carried by the chains to the Judicial Committee of the Privy Council in London, if necessary, The Financial Post understands. The claim of chain store firms is that the tax is unconstitutional and unfairly discriminatory.

P. E. I. Talks $2,000

Prince Edward Island has introduced legislation to charge a tax of $2,000 on each branch chain store doing business within the province. However, the tax is not to exceed 3 per cent of gross turnover for the 12 months immediately preceding April 1 in the current year.

Highlights

Aberhart Explains

Reasons why Alberta defaulted its bonds are given by head of Social Credit government. Page 17

Grain Futures

Winnipeg Grain Exchange states its case in defense of futures trading, claiming such as only adequate method of price insurance. Page 19

John Joseph Seitz

Pioneer founder of United Typewriter Co. was first telegraph operator to use typewriter transcription method in Canada. Page 10

Brazilian Dictatorship

Thirty-seven years of absolutism in Brazil has hurt investors and citizens of republic alike. Page 11

The Next Five Years

George J. Trueman, Dr. George C. Pidgeon and Mrs. Adelaide M. Plumptre on major factors affecting Canada's progress. Page 13

The Money Mystery

Sir Norman Angell discusses the use of gold and its relation to the interchange of goods. Page 24

Galt, Ont., "Digs Down"

Local contributions aid city in meeting relief costs. Page 21

Hon. "Mike"

Nova Scotia's Minister of Mines, Michael Dwyer, reveals much of his personality in the title by which he is most widely known. Page 22

Investors' Iudex

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Water Resources Paper Covers Maritime Area

From Our Own Correspondent

MONTREAL. — Dominion Water Power and Hydrometric Bureau has issued Volume 73 of the Water Resources Papers, which deals with the surplus water supply of Canada. This number contains the results of investigations made during the climatic years October 1, 1930, to September 30, 1932, in New Brunswick, Nova Scotia and Prince Edward Island.

Dairy Corp. Would Unify Six Firms

Capital Reconstruction Planned to Fund Bank Loans

$1,400,000 ISSUE

Reconstruction of the corporate set-up of Dairy Corporation of Canada, Toronto, is being planned by directors and may be submitted to shareholders in a short time.

The Financial Post understands that the plan contemplates elimination of Dairy Corp., the present holding company, and unification of the interests of the holding company and six of its operating subsidiaries into one concern, Canada Dairies Ltd.

The purpose of the plan is first to fund bank loans of the holding company, second to effect economies in various corporate fees and taxation.

Issue of $1.4 million of new 5 per cent first mortgage bonds is planned, chiefly to fund several smaller bond issues and mortgages now outstanding and to take care of bank loans of Dairy Corp.

Six Firms Included

The six operating subsidiaries of Dairy Corp. of Canada involved in the plan are:

Edmonton City Dairy; City Dairy Ltd., Winnipeg; Canada Dairies Ltd., Toronto; Purity Ice Cream Ltd., Winnipeg; Purity Dairy Ltd., Regina; Purity Dairy Products Ltd., Saskatoon.

For the present at least, it is understood that Mount Royal Dairies Ltd., Montreal, would be left out of the proposed consolidation. The reason for its omission is that fixed charges are too heavy, although the company has been earning its first mortgage interest after depreciation.

Position of Companies

The operating companies are all making profits. Net earnings for the year ended March 31, 1936, have improved $85,000 over the preceding year, it is stated. For the six years ended March 31, 1936, average annual profits available for interest on new first mortgage bonds would have been $106,000 under the proposed set-up. First mortgage interest would be $70,000.

As has been explained previously in The Financial Post, Dairy Corp. of Canada has bank loans in excess of $500,000 secured by securities of its operating subsidiaries. The effect of these loans is to show the company with an excess of current liabilities, although the operating subsidiaries have current assets well in excess of current liabilities.

This is the reason for postponement of the annual meeting for the period ended March 31, 1935. It is also the reason for non-issuance of last year's annual report. Statements for that year and the one just closed are expected to be available for shareholders when the reconstruction plan is submitted. Another feature of the bank loans is that they would probably prevent Dairy Corp. meeting debenture interest on July 1 of this year.

Proposals for exchange of securities of Dairy Corp. and six subsidiaries for those of the new Canada Dairies Ltd., are outlined on page 2.

Approve Reorganization Of Brandram-Henderson

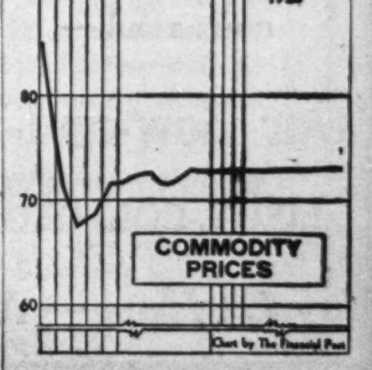
Reorganization of Brandram-Henderson Ltd., paint and varnish manufacturers, has been approved by both bondholders and shareholders.

Under terms of the reorganization, the present first mortgage bonds, amounting to $131,800, are to be paid at maturity on Oct. 1, 1936, out of cash and the proceeds of the sale of a subsidiary.

Holders of the company's consolidated mortgage sinking fund bonds, amounting to $825,000, are to receive the same principal amount of new income bonds and 7½ new common shares for each $500 bond in satisfaction of their claims, including accrued interest.

The present preferred stock is exchangeable on the basis of 5 new no par value common shares for each preferred share of $100 par value and accrued dividends.

Holders of the company's present common shares are to receive new shares on the basis of one new no par value share for each $100 par value common share held.



LITTLE CHANGE

Wholesale commodity prices as measured by the index of the Dominion Bureau of Statistics recorded a slight advance in the week ended April 24, advancing to 72.3 from 72.2 in the previous week.

MEN'S SHOP

Suede Shoes and a Sporting Hat

From top to toe the Men's Shop offers what is new and smart in sportswear for the season! Hats and shoes are but two items, in a host of distinctive sport clothes that present comfort combined with authentic style.

STETSON "PLAYBOY"

Light chocolate brown, medium and light grey fur felt. Lightweight—ventilated crown in regular and semi-pork pie style. Sizes 6¾ to 7⅝. $5.00 each.

SMART SUEDE

Medium weight brogues of grey or brown suede (reverse calf) leather. Made specially for the Men's Shop in sizes 6 to 11. Pair $6.50.

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

If mildness appeals—
"EXPORT"
CIGARETTES
—will win you.

NOISE COSTS TOO MUCH
Is Efficiency-reducing Is Distracting
Impairs Health
PAINTABLE PERMANENT
ACOUSTI-CELOTEX
Improves Working Conditions
A Profitable Investment
J. B. BUCKHAM
6 Broadway Toronto
Mohawk 5888
Acoustics, Noise and Insulation
CONSULTANT

DEFENSE—

"IT IS time for the Canadian public to awake to the fact that the Canadian defense forces are inefficiently organized, are badly equipped, and have very little opportunity for carrying out training that would fit them for modern conditions of warfare .... the Canadian land forces have not a single piece of post-war fighting equipment.

"It is necessary to practically reconstruct the whole body of the national defense forces."

National Defense is a matter on which your views, as a Canadian citizen, are supremely important. That is why you must read—

"Our Bow-and-Arrow Army"
by
LIEUT.-COL. GEORGE A. DREW
in
May 1st Issue — NOW ON SALE
Maclean's 5c

Duty Freedom For Tourists Causes Worry

Federal Government Faces Huge Loss With Tourist Exemption

LIMIT PRIVILEGES

From Our Own Correspondent

OTTAWA.—Legislation to implement the undertaking given by the government in the United States treaty to permit Canadians, visiting the United States, to bring back $100 worth of goods free of duty, will probably be brought down shortly after the budget. The legislation has not yet been considered by the government and is causing some anxiety.

Difficulty arises out of the government's urgent need for revenue and the fact that the $100 exemption will mean a loss in customs and sales tax receipts. It is calculated, if this privilege is extended but once per year, approximately $50 millions of goods will be brought in. On average, duty would run to 20 per cent so that a loss of close to $10 millions would follow. If the privilege is extended twice per year, the loss would be larger.

It is pointed out that while lower tariff often results in increased revenue, free trade is of no direct benefit to the treasury. The United States agreement is costing the government substantial revenues.

The $100 exemption bill is likely to limit the privilege of bringing in goods free to a greater extent than is generally believed. Twice per year is now being talked of, with restrictions in the form of length of stay.

"Lloyds" Lose Appeal Right

Quebec Court Rules That Group Have No Legal Existence

From Our Own Correspondent

MONTREAL.—Ruling that "Non-Marine Underwriters, Members of Lloyd's" have no corporate status, Mr. Justice Forest, of the Superior Court, Montreal, struck out an application by the Underwriters seeking annulment of an award by arbitration of a fire loss.

While Non-Marine Underwriters, Members of Lloyd's have secured a permit from the Quebec Superintendent of Insurance to write fire risks, it had no corporate status as it possessed no letters patent or charter. Consequently, the court ruled this body was illegal and non-existent in the eyes of the law.

Apply For Annulment

Application for the annulment of the award was made by the Underwriters together with the Prudential Co. of London, Eng., the Rhode Island Insurance Co. and the Missisquoi and Rouville Mutual Fire Insurance Co. Three policies of insurance for a total sum of $35,000, covering property of Camille Courey, were shown to have been issued by Lloyd's of London.

Permits by the Superintendent of Insurance for the province to carry on the business of insurance, did not give the Non-Marine Underwriters corporate existence which it attributed to itself, said the court.

Obituary

Harry W. Anderson, member of the federal commission studying conditions in Canadian penitentiaries, and former managing editor of The Globe, in Toronto. He was 60.

E. Van Arnam Leslie, manager of the Brockville branch of the Bank of Montreal, at his home in Brockville. He was 61.

E. Rene Fleury, delegate general in Canada of the General Casualty Insurance Co. of Paris, and vice-president of the French Chamber of Commerce in Montreal. He came to North America in 1921, later represented his company in the Argentine, and was stationed in Montreal since 1926.

Albert Edward Davey Holden, well known Montreal insurance and investment representative, in Montreal.

Charles E. McLaggan, former manager of the New Glasgow, N.S., branch of the Royal Bank of Canada, at his home in Montreal.

T. E. Smiley, agent of the Metropolitan Life Insurance Co., in Windsor, Ont., at his home in Windsor. He was 56.

H. S. Paterson, one of the pioneer members of the Winnipeg Grain Exchange, at his home in Winnipeg. He was 81.

John Medland, vice-president of National Grocers Ltd., lost at sea, following a stroke suffered while en route to Bermuda. He was a resident of Toronto and a native of Devonshire, England. He was born in 1875.

The Nation's Business

(Continued from page 1)

proper, confessing its inability to "get a straight story out of the tangled mass of obscure claims and assertions."

It is true enough that the relations between the Dominion government and the wheat pools during the period of stabilization operations still lie in undiscovered country. Whether it was the intent of the government that the pools should make large profits out of a holding policy on which the government was to make a large loss, through guaranteeing pool bank borrowings, remains to be disclosed.

* * *

BUT anyone who thinks that a respectable case could be made out for the payment out of public funds of the $6,600,000 involved, has only to look at the wording of the bill as passed by the House of Commons. The preamble first established that no money could be paid under the settlement authorized by the Bennett Government, and the audit which that called for went on to say:

"Whereas Canadian Co-operative Wheat Producers Limited had by February 29, 1932, made transactions related to the 1930 wheat crop approximately equal to the deliveries of wheat by primary producers during the 1930-31 crop year, and an analysis of the prices at which such transactions took place indicates that the average of such prices was approximately 60 cents a bushel. . . ."

That is the official case for making the payment, evidently the best that could be made, or a better one would have been used. "Transactions," it says took place related to the 1930 wheat crop. Not "sales," or it would have been so stated. It is known from other records that no such volume of sales took place. And the price at which these transactions took place was approximately equal to sixty cents a bushel, which is certainly much less than the price which would net sixty cents a bushel, after paying expenses. That paragraph not only failed to establish that the Dominion government should assume the liability it assumed. It definitely established that such payments should not be made.

* * *

THAT there were political reasons for considering such payments is clear enough. Mr. Bennett had promised, or had been represented as promising such payments. Some thousands of farmers had calculated exactly what they were to get, and might be expected to blame the new government if they did not get it. But it will remain a mystery how a bill which assumed to base the payment on any other ground succeeded in passing the cabinet, a caucus, the House of Commons or the Senate.

Supreme Court Last Hope Of U.S. Tax Bill Opponents

Executives of a number of Canadian companies, which may be hit severely by proposals in the tax law now being considered before United States Congress, have joined their United States confreres in a common cause at Washington. Amid all the changes and bewildering complexities of the new legislation they found it almost impossible to keep abreast of what was happening.

The Commercial and Financial Chronicle, New York City, throws up its hands in despair of being able to find space "to set down all the anomalies, injustices and evils of a measure which seems to be unique even among the legislative monstrosities of recent years." It does say that to the extent such a tax law can work at all it "obviously places a penalty amounting to confiscation upon prudence and care and a bounty upon profligacy and recklessness in corporate management." This conservative journal does not see "how such a medley of confusion and incompetence in conception and legislative drafting can be placed in practical operation." It foresees as inevitable "endless controversy and litigation."

"The one hope of the situation—assuming passage of the bill as it now stands—is in the hope that the Supreme Court will, in due time, declare the whole measure unconstitutional."

The Financial Chronicle finds that devisers of this legislation apparently have "very simple" ideas about corporate accounting. They think it is as easy to decide what net profits are as to count the cash in the till. It gives many instances of this lack of knowledge.

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

Indications point to a banner year in the tourist trade from the United States. Keyed advertising for the Canadian Travel Bureau appearing during March and April has brought in a tremendous increase in enquiries this year. The latest copy is offering a new booklet on Canada and requests for it have literally poured in since the advertisements first appeared. The book is being produced for the Bureau by the MacLaren Advertising Co., Toronto, and will be available for distribution in a week.

* * *

Exide Batteries Ltd., Toronto, are making their first appearance for some time in trade papers in a regular campaign, running each month. The business is being placed by James Fisher Advertising Co., Toronto.

* * *

A new advertising campaign for Fly-Tox began May 1. It is timed to coincide with the "seasons" for various insect pests. Metropolitan dailies and magazine copy will describe the moth-killing qualities of the product during the early stages of the campaign. This will be switched to cover summer resort centres later with mosquitoes as the theme. With the coming of "fly-time" the advertising will be extended to farm papers and a radio campaign covering northern Ontario.

* * *

The Kraft-Phenix Cheese Co. will spend more on advertising during 1936 than in any previous year. Full pages in color are appearing in May issues of national magazines and are scheduled to continue throughout the year. Supplementing these, the company will use four-color advertising in week-end rotogravure sections. Dailies and trade papers will also carry a regular schedule. A special French-Canadian radio programme will take the air from Montreal and Quebec to fill out the coverage of the company's broadcasting reaching Canada from the United States networks.

* * *

The Burgess Battery Co., Niagara Falls has named Ronalds Advertising Agency, Toronto, to handle its account.

Catelli-Macaroni Plan Is Approved

Dividend Arrears on "A" Are Eliminated—Write Down Goodwill

From Our Own Correspondent

MONTREAL.—Capital reorganization proposals and change in the corporate name to Catelli Food Products, have been approved by shareholders of Catelli Macaroni Products Co.

Under the plan holders of the present 40,000 preferred A shares of $30 par value, on which dividends have accumulated for several years, will receive in exchange for each share now held: one share of 5 per cent preferred, $15 par; one share of new common, and $2.50 in cash.

Holders of the present 30,000 B common shares will receive one new common share for every five shares held.

The capital reorganization will also permit certain changes in balance sheet items, such as writing down goodwill from $100,000 to $1.

NEW BRUNSWICK ENTERS BANKING LOAN FIELD

(Continued from page 1)

with the federal government with a view to assisting agriculture, lumbering, fishing, mining or any other provincial industry. Provision is also made for measures that may be necessary for co-operation with the Dominion for these purposes.

May Borrow Money

The Industrial Development Finance Act, as the new bill is known, empowers the provincial secretary-treasurer to borrow money by means of deposits in any amount and from any person or corporation, and to open offices for the purpose.

Money deposited with the loan office may be used for investment in the following:

Farm loans.

Loans for industrial purposes.

Bonds or debentures of or guaranteed by the Dominion of Canada or any province of Canada.

Bonds or debentures of or guaranteed by any municipality or school district in the province of New Brunswick.

The provincial secretary-treasurer, with approval of the lieutenant-governor-in-council, is given power to appoint loan officers. Expenses are to be paid out of the consolidated revenue fund of the province.

New Business Taxes

Although no direct connection is said to exist between creation of machinery for a provincial loan office, other legislation affecting business, passed by the New Brunswick legislature, was the Corporation Tax Act. Passage was delayed until companies affected by the new legislation had an opportunity to study it, and amendments were subsequently made before prorogation on April 24.

As finally passed the new tax provides for an increased levy on insurance companies, banks, chain stores and other extra-provincial corporations, as well as taxation on revenue from construction of buildings or other structures by non-resident persons or companies whose majority stock is owned outside the province, unless the structure is for the person's or corporation's own use or for the Dominion government or the C.N.R.

Dividends Increase

Dividend distribution by Canadian corporations are setting a new record since 1930.

Saguenay Power Issues Meet Ready Reception

From Our Own Correspondent

MONTREAL.—Saguenay Power Co.'s refinancing plans got away to a good start, with the Canadian offering of $5 millions of first mortgage series B 4¼ per cent bonds and $5 millions 5½ per cent cumulative preferred shares being oversubscribed, with the preferred bid at a premium shortly after the lists were opened.

The refunding plan of Saguenay Power Co., formerly Duke-Price Power, takes four different forms. The first mortgage bonds are divided into two issues, series A amounting to $30 millions, payable in American funds, and offered only in the United States, while the series B bonds of $5 millions and payable in Canadian funds only were offered in Canada at par through a syndicate comprising A. E. Ames and Co., Dominion Securities Corp., Wood Gundy and Co., Aldred and Co., and others. In addition there are $5 millions of serial notes, ranging from 2¼ to 4 per cent, which will be offered in the United States. These notes are payable as to principal and interest in American funds. A block of $5 millions of 5½ per cent cumulative preferred, offered in Canada at par, completes the refunding plan.

All of the net proceeds of the bonds, serial notes and preferred shares will be used to redeem the Duke-Price Power Co.'s outstanding first mortgage bonds and to the extent of approximately $1.9 millions for the repayment of the company's six per cent gold notes.

Dairy Corp. Plans Change Of Structure

Consider Exchange Basis for All Securities

AIM ONE COMPANY

Proposals under consideration for corporate reconstruction of Dairy Corp. of Canada involve issue of $622,000 of new 5 per cent first mortgage bonds in satisfaction of the present Dairy Corp. bank loans. A portion of such bonds may be publicly offered to fund the loans.

Bonds would also be issued to satisfy a small mortgage on the Purity Dairy Ltd., Regina, another on Canada Dairies Ltd. and to holders of the $82,800 of Canada Dairies 6 per cent bonds. In exchange for bonds of City Dairy, Winnipeg, the proposal is to issue $105 of new bonds for each present $100 of bonds. Purity Ice Cream, Winnipeg, has a 6 per cent bond issue of $30,000 for which par in the new bonds would be offered.

Holders of preferred shares of Edmonton City Dairy would be offered 50 per cent of the par value in new first mortgage bonds and additional securities. This would make a total issue of $1,400,000 of the new 5 per cent first mortgage bonds.

The effect of these exchanges would be to consolidate the various mortgages of subsidiaries and the bank loans of the holding firm. The one first mortgage would be on the operating company, Canada Dairies Ltd., with headquarters at Toronto.

General Mortgage

An issue of 6 per cent general mortgage bonds is also contemplated. These bonds would be offered to holders of Edmonton City Dairy preferred, for the 50 per cent par value not covered by issue of first mortgage bonds. Also, there would be cash payment of $5 a share to holders of Edmonton City Dairy preferred.

The only other issue of general mortgage bonds under consideration is to holders of class A preferred shares of City Dairy, Winnipeg, $25 of bonds for each share.

The third form of bonded debt in the proposed consolidated company would be 6 per cent convertible debentures. These would be issued par for par in exchange for present Dairy Corp. 6 per cent debentures. Holders of preferred shares of the present Canada Dairies Ltd., of Purity Dairy Ltd., Regina, and of Purity Ice Cream Ltd., Winnipeg, would be offered 50 per cent in convertible debentures for present shares.

Upon completion of all these exchanges, the outstanding funded debt of Canada Dairies, the new consolidated company, would be approximately as follows:

New Canada Dairies Ltd. Bonds

5% 1st mortgage bonds	$1,400,000
6% gen. mortgage bonds	233,725
6% convert. debentures	625,400
Total	$2,259,125

Share Exchanges

In addition to the bonds, there would be exchanges of shares. New class A shares of the consolidated Canada Dairies would be issued as follows:

Issue of New Class A Shares

	Basis new old	Total shs.
Dairy Corp. A shs.	1 for 1	39,749
Dairy Corp. int.	1 for $3	5,879
Edmonton C. D. com.	1 for 1	525
Can. Dairies com.	1 for 5	819 3/5
Purity Dairy Ltd.	1 for 10	5
City Dairy Ltd.	3 for 1	*
Purity Ice Cream	1 for 1	421
Total		†47,398 3/5

* Holders of City Dairy Ltd., Winnipeg class A preferred could take 3 new class A shares for each one share held instead of $25 of general mortgage bonds per share.

† Another 10,000 shares would probably go to underwriters of the first mortgage bonds.

Issue of class B shares in the consolidated Canada Dairies Ltd., would go entirely to holders of class B shares of Dairy Corp. of Canada, share for share.

The outstanding share capital of the new firm would then be approximately as follows:

Initial Share Capital

	Authorized shs.	Outstand. shs.
Class A com. no par	150,000	47,398 3/5
Class B com. no par	50,000	33,520

Provisions of Shares

The class A and class B common shares would be identical in their rights except in voting. The class A shares would have the right to elect two of the nine directors, but otherwise the class B would have all voting rights.

In this connection, it should be noted that all the class B shares were issued to holders of the original Dairy Corp. debentures as part of the reorganization of 1934. The class A shares originated in exchange for former common and preferred shares of Dairy Corp.

Interest on the 6 per cent convertible debentures would be payable in class A shares, one share for each $3 of interest, for the first two years. As a fixed charge, the interest would come to slightly over $37,500 annually. The latest year's earnings would not quite cover this after depreciation, it is understood. Directors hope, however, that with improved conditions in the dairy industry it will be possible to pay this interest in cash before the two years expire.

In the above compilation of outstanding class A shares, allowance has been made for payment of interest on convertible debentures next July 1 in shares. If the full two years' interest were paid in stock, it would add 25,016 shares to the outstanding class A stock.

The debentures would be convertible at the holder's option $100 of debentures for 5 class A shares for the 10 years from July 1, 1936.

Operating Proposals

Plans of directors call for the six subsidiaries to retain their present names, so as not to disturb goodwill. However, the companies would be names only, as operations and financing would be conducted entirely through the proposed Canada Dairies Ltd. The present holding company and six subsidiaries, seven companies in all, would become one owning and operating company for all practical purposes. Assets of the company would be close to $2 millions.

Modern, EFFICIENT BANKING SERVICE ... the outcome of 118 years of successful banking operation.
Head Office: Montreal
TOTAL ASSETS IN EXCESS OF $750,000,000

BANK OF MONTREAL
Established 1817

GOLF IS RIGHT DOWN OUR FAIRWAY!

Whether for clubs or clothes—good golfers come to SIMPSON'S! Here you'll find everything, from the new Walter Hagen Clubs to the exclusive new Moccasin Shoes, to make your game more comfortable and enjoyable.

You'll find the makings of a "par performance" in the Golf Section on the Fourth Floor .... and the makings of a "par appearance" in the Store for Men on the Street Floor.

Simpson's

FEATURES
in the May issue
THE CANADIAN CHARTERED ACCOUNTANT
Some Problems of University Accounting.
Accounting System for Gold Mining Companies Prior to Production.
Aspects of Agricultural Accounting.
Agricultural Marketing Schemes and the Natural Products Marketing Act.
A Court Action Against Auditors.
Appeals in Pepper Pool Case.
Published monthly, $2.00 per annum. Subscription open to all interested in accounting discussions. Send subscriptions to The Editor, 10 Adelaide Street East, Toronto.

Prospectus and annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

THE TRUTH About Alberta

THE spotlight throws a sickly pallor on even the healthiest countenance. It would be unnatural if Alberta in the glare of publicity could conceal the marks that the depression has left here, as elsewhere. True, these blemishes tell a story—but there is a newer story being told, a story of progress, of greater income, of increasing buying power and better business.

Alberta is not a step-child to fortune. Other peoples have their troubles. Yet Great Britain, with a national debt of £7,796,056,000 (39 billion dollars), torn with labor disputes, facing the threat of war in Europe, is still acknowledged to be a greatly improved market. In the United States, faced with new deals, political backfiring and demagoguery rampant, manufacturers are selling more automobiles, more radios, more of everything.

In Southern Alberta, too, no matter the color of its politics, there is a great and growing consumer demand. The figures prove it. There is a market for your product here. Don't be cheated by half a story. Here are some of the facts:

In 1935 Dominion Income Tax collections in Calgary increased 33.5%
Compare with Vancouver 28.2%, Winnipeg 15.2%, Montreal 31.5%, London 33.1%, Toronto 38.8%.
In 1935 Automobile Sales in Alberta increased ... 41%
In 1935 Radio Sales in Calgary increased 18%
These are increases over the year 1934.
In 1935 Cattle exports from Alberta increased 75%
(Over the average for the three preceding years.)

Other substantial proofs of progress in the Southern Alberta market will be gladly furnished on request.

The Calgary Herald
CALGARY . . . . ALBERTA . . . . CANADA
A Southam Newspaper
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Southam Newspapers, 401 Southam Building, 1070 Bleury Street.
TORONTO
Southam Newspapers, 501 Atlas Building, Bay and Temperance Sts.
UNITED STATES
Verree & Conklin, Inc., 285 Madison Ave., New York City; 333 North Michigan Ave., Chicago; 321 Lafayette Blvd., Detroit; 5 Third Street, San Francisco.

Terminal Sale Goes to Court For Approval

65c Offer Made on Bonds of Can. Rail & Harbour Terminals

FROM DUPONTS?

Offer of Harry E. Humphreys Jr. of Wilmington, Delaware, to purchase assets of Canadian Rail & Harbour Terminals, Toronto, was unanimously approved by vote at the recent meeting of bondholders at Toronto. The bid confirms the original forecast of The Financial Post in January, and has lifted the 6½ per cent bonds to about 60.

The offer of $2,170,000 and up to $90,000 for expenses was accompanied by cheque for $50,000. It is subject to approval of the Supreme Court of Ontario.

For holders of the $3.5 millions of 6½ per cent first mortgage bonds the offer amounts to 62 cents on the dollar in cash for their holdings. In addition, Mr. Humphreys would pay expenses of the sale and receivership up to $80,000 in Canada, and up to $10,000 for expenses of the American bondholders' committee. Expenses in Canada would include costs of solicitors, receiver, liquidator and of the Canadian bondholders' committee in connection with the bankruptcy and sale.

Additional Cash

In addition to the cash offer, completion of the sale would allow a division between three classes of bondholders of nearly $300,000 in cash now held by trustees for the bond issues.

Over 3 cents on the dollar additional would be payable to first mortgage bondholders, making a grand total of 65 cents on the dollar for them. Holders of the 7 per cent general mortgage bonds would get slightly over 8 cents on the dollar. The $305,000 of debentures, due 1956, would get slightly less than 8 cents on the dollar for their securities.

It is understood some opposition may develop in court from holders of the 7 per cent general mortgage bonds. They get nothing out of the proposed sale except cash which already belongs to them.

Unanimous Ballot

Holders of $2,350,000 of first mortgage bonds were represented at the meeting. Ballots were cast for $1,863,000 of the bonds, and all votes were in favor of the Humphreys offer.

The reason that all bonds represented were not voted was that the American bondholders' committee did not use its proxies. It is understood that the American committee favored the offer, but did not vote its holdings lest it conflict with rulings of the U.S. Securities and Exchange Commission.

The sale was conducted under the Ontario Judicature Amendment Act, 1935, which requires consent of 50 per cent of the total bondholders. There were more than 50 per cent represented at the meeting, and the bonds voted in favor of the offer were also over 50 per cent of the total. However, the court has discretionary power to approve or disapprove of the sale.

duPont Interests

It is understood, but cannot be officially confirmed, that Mr. Humphreys represents interests connected with E. I. duPont de Nemours & Co. of Wilmington.

One other offer was presented at the meeting, and came from the Canadian bondholders' committee. It was, in effect, a reorganization proposal. It offered 60 cents on the dollar in new first mortgage bonds for each of the present bonds. The proposed fixed rate of interest was 4 per cent, plus a 2 per cent income feature. This offer was not voted upon, the Humphreys offer being approved.

The mortgaged property includes 22 acres of land on the Toronto waterfront upon which stands the large storage terminal. Docks known as Queen's Quay are included.

Benefits Seen In Empire Fair

Canada Leads at Industrial Exhibition—Large Orders Placed

Participation by Canadian industry in the British Industries Fair of 1936, held simultaneously at London and Birmingham, was on the largest scale of any Empire country.

Examples of the results obtained by Canadian firms are indicated by an order from a firm in the north of England for 12,000 cases of a new type of canned soup. Large orders have also been placed for a specific type of Canadian-made leather gauntlet, rubber footwear, kitchenware, washing machines, refrigerators, rubber goods, machinery, shingles, lumber and other wood manufactured articles.

Trade buyers visiting the London section numbered 131,202, of whom 13,925 were from overseas countries. At Birmingham, 103,476 British buyers attended, and 2,764 from overseas.

Unsettled conditions in Europe influenced diversion of considerable amounts of buying to Empire and Canadian firms represented at the fair. Canadian firms in particular secured large orders for macaroni and canned tomatoes as a result of European conditions.

B. C. Apple Crop

In an interim report, the B. C. Tree Fruit Board announces that up to the end of December, 3,839,625 boxes of British Columbia apples had been sold.

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APPOINTED DIRECTORS

PAUL E. LETOURNEAU — **W. J. H. ELLWOOD**

Hanson Bros. Inc., Montreal, investment dealers, announce the appointment of Paul E. Letourneau and W. J. H. Ellwood as directors of the company. Mr. Letourneau is the son of Mr. Justice Letourneau of the Court of Appeals. He joined Hanson Bros. Inc. in 1932 and has since been in charge of their French department. Mr. Ellwood joined the organization in 1932 as manager of their Ottawa office and returned to Montreal in 1934.

Canada Steamship Plan Cuts Charges by Half

Fixed Assets Lowered and Heavy Liabilities Eliminated

From Our Own Correspondent

MONTREAL.—Though yet to be approved by directors, the bondholders' protective committee of Canada Steamship Lines has issued a reorganization plan which reduces fixed charges almost by half; lowers the value of fixed assets by $6.6 millions; wipes out the bond discount and expense of $783,362 and liquidates a deficit account of $7.8 millions.

Over three years ago Canada Steamships failed to pay interest on the first and general mortgage bonds. Previously preference dividends had been passed. Further the company was indebted to the banks for over $3 millions.

Liabilities Pile Up

In the interval the company has cleaned up its bank loans. But accumulated unpaid interest on the first and general mortgage bonds had increased to more than $3.7 millions and unpaid dividends on the preference stock to $4.9 millions.

In considering the position of the company, the committee came to the conclusion that the fixed assets at their depreciated value were disproportionate to earning capacity and to eliminate bond discounts and deficit account. These three items total over $15.2 millions.

Exchange of Securities

In adjusting capitalization and fixed charges to the new set-up, the plan of the committee provides for no change in the outstanding first mortgage debenture stock.

The $17.5 millions of six per cent first and general mortgage bonds would be exchanged for $10,528,000 of five per cent first and general mortgage bonds, $7,019,200 of five per cent convertible preference stock and 175,480 shares of new no par value common stock.

The holder of a $1,000 bond would receive $600 principal amount of new five per cent bonds, eight new five per cent preference shares and 10 new common shares.

Sharp Cut in Capital Stock

The existing $15 millions six per cent cumulative preference shares, together with unpaid dividends, would be exchanged for 165,000 new common shares, or in a ratio of 1 1/10 shares for each share of preference held.

The existing 120,000 shares of common stock will be exchanged for 12,000 new common shares, or one new share for each 12 held.

Cut Fixed Charges

Fixed charges under the old and new set-up follows:

	Old	New
First mtge. bonds	$ 109,336	$109,336
First & general bonds	1,052,880	526,440
Fixed int. charges ...	1,162,216	635,776
Preference divds.	900,000	350,960
Total chgs. before any earns. are avail. for common stock	2,062,216	986,736

Features of Securities

Some of the more important features of the rights and obligations attaching to the new securities follow:

The new bonds would be payable in Canadian funds only, whereas the old issue is payable in Canadian, American and English funds.

The new bonds would have a sinking fund of three per cent, annually, but would not begin until October 1, 1943.

They are callable on 30 days notice at 105; the premium declining one per cent every four years thereafter.

Dividend on proposed preference shares is non-cumulative up to December 31, 1942, but cumulative thereafter.

No dividends could be paid on the common until all arrears on the preference have been cleared up.

Not only are the proposed preference shares entitled to a vote, but are convertible into common on the basis of one preference for two shares of common stock.

C. N. R. Seeks Authority To Abandon More Line

From Our Own Correspondent

MONTREAL.—Canadian National Railways have made application to the Board of Railway Commissioners for authority to abandon 59 miles of line between Hurdman, on the outskirts of Ottawa, and Hawkesbury. The application is being studied by the board, and a decision is not expected for some time.

C.M.A. Annual At Quebec City

Canadian manufacturers will meet in annual conclave at Quebec City, June 2, 3 and 4, according to officials of the Canadian Manufacturers' Association.

Division organizations of this body are now holding annual meetings, the first having been held in Vancouver for the British Columbia division, April 14.

Prairie province division held its meeting at Edmonton, April 20. Manitoba branch held its meetin Winnipeg, April 14.

Four meetings are already planned for May, the Toronto branch meeting on May 6 when Hon. Norman Rogers, Minister of Labor, will speak; Ontario division at Brantford, Wednesday, May 13, and a combined meeting of Quebec division and Montreal branch, May 15, at Montreal. The Maritime division will also meet May 13 at Halifax.

Privy Council Will Review Reform Laws

Ottawa and Provinces Ready For Supreme Court Verdict

TO PRESS APPEAL

From Our Own Correspondent

OTTAWA.—The judgment of the Supreme Court on the "new deal" statutes is expected in May and the distinct understanding at Ottawa is that there will be an immediate appeal to the Privy Council.

To the extent that the judgments support these statutes, the provinces, probably Ontario, will appeal. To the extent that the statutes are impaired, the Dominion will appeal. The understanding here is that an unofficial agreement exists between the Dominion and the provinces as to the course to be followed. The appeals will be entered promptly and it is hoped to bring them before the Privy Council early in the fall session, possibly toward the close of September.

Won't Disrupt Business

From a practical standpoint, therefore, the impending judgment has little significance for business. If the appeals can be brought on in September, the Privy Council judgment, which will be final, should come before the close of the year, clearing the way for action by Parliament of the legislatures at the 1937 sessions.

There is already apparent a tendency on the part of provincial law makers to anticipate the final outcome of this litigation. The legislatures of Ontario and British Columbia this year have enacted statutes to strengthen the constitutionality of the Natural Products Marketing Act. The Dominion government, it is learned, is also becoming a little restive on this count. The government at Ottawa is now seized of the importance of having such a statute.

Will Help Exports

There is urgent need, it is felt, for a marketing act to cover the export field of trade in primary products. After the Privy Council has passed on the Marketing Act, the Dominion government will endeavor either to convert it into an instrument to assist exports of farm products, or to enact a separate statute.

N. S. Fish Catch

Fish landings in Nova Scotia during February showed an increase of 247,900 pounds, with an increase in the landed value of $30,710 when compared with February, 1935.

Canadian Buyer Comes Back Empty Handed from Russia

Merchandising facilities of Russian industry are not organized on a basis comparable with other European countries, according to H. G. Colebrook, director of Simpsons Ltd., who has recently returned from a buying trip to Europe.

Visiting Russia for the first time, Mr. Colebrook came away almost empty handed largely because of difficulties encountered in making purchases, he informed The Financial Post.

Russians, he said, have much to learn about the merchandising of goods, their market facilities being entirely inadequate. He found that goods on display were not arranged in any definite order and had no price tags affixed.

Want Big Sales

"For the most part," Mr. Colebrook continued, "they are only interested in making sales of colossal quantities. They do not want to sell direct to a firm like Simpson's, where the amount purchased would be comparatively small, but would much rather sell a huge quantity to one jobber who would take care of the entire Canadian market.

"We also found that prices were very high. We were interested primarily in the purchase of linens and glassware, but could purchase the same product in London at a cheaper price than we could get it in Moscow. The reason for this is that the London jobbers have old contracts under which they are able to make purchases considerably below the existing level. Because of an increase in demand there has recently been an increase in the price of Russian linens and this is reflected to a greater extent in Moscow than in London."

The existence of export companies to look after the foreign business of the different branches of industry is also an obstacle to direct buying, Mr. Colebrook felt.

War Not in Prospect

Asked by The Financial Post whether he thought war in Europe a possibility, Mr. Colebrook said "the recent European crisis had been greatly over-exaggerated in this country. There has been little feeling in Britain that a European war was imminent as a result of the German action of sending troops into the Rhine area."

As regards economic conditions, "British industry continues to enjoy considerable prosperity," he said. "Manufacturers have taken advantage of the protection they have been afforded during recent years and have secured a much larger share of the domestic market. The building boom continues amazingly, and this accounts for a large part of the prosperity in many sections of industry.

Business Quiet in France

"In France, conditions are difficult and business quiet. Tourist business has been substantially reduced and a high rate of exchange is retarding export business.

"In Germany, things are also difficult. While they are making a bold bid for export business, by arranging various methods of payments this is proving a hindrance rather than a help since buyers are confused.

"As regards the political situation the people seem solid for Hitler. He has played a master hand and has molded a patriotic fervor which is perhaps greater than ever seen before in the history of the world. The unemployed are considerably taken up by the army and other services."

National Breweries "Foreign" Sales Mounting

From Our Own Correspondent

MONTREAL.—Sales of National Breweries outside of Quebec, although not a very large percentage of the total, are considered satisfactory, Norman J. Dawes, president, told the annual meeting of shareholders.

Efforts made to build up foreign trade are developing satisfactorily, he went on to say, and it is hoped a profitable business will be built up in the United States and in the West Indies.

The experimental plant, which the company was installing in the Dawes Brewery, is now completed. It will be used to co-ordinate the research work of the laboratory and practical plant operation.

Maritime Tel. and Tel. Operations Gain in March

From Our Own Correspondent

MONTREAL. — Volume of toll traffic on the Maritime Telegraph & Telephone System in March was 89,973 calls, and considerably more than the same month a year ago. This showing is considered especially good in view of the large amount of damage caused to toll plant by floods, etc.

The number of stations installed at the end of March was 38,723, a net gain of 18 during the month.

Manitoba Mines' Output

The value of Manitoba's mining production last year was the largest in the history of the province, $12,091,926.

Analyse Your Estate
Let us help you examine the situation and work out a wise plan for an up-to-date will.
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393 St. James Street West - Montreal.

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Mr. W. J. H. Ellwood
and
Mr. Paul E. Letourneau
as directors
HANSON BROS
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1. V-type 8-cylinder engine—gives smooth power with economy.
2. 90 horsepower—provides quick acceleration and brilliant performance.
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TAKE YOUR Ford Dealer's 1936 V-8 for a trial spin. You'll find it quick in get-away. As smooth in performance as a sleek thoroughbred . . . stable on the road and around sharp curves . . . with effortless power to go and Super-Safety Brakes to stop. The Ford V-8 engine is a blood-brother to the finest motors on land, water and in the air . . . yet it has the proved economy you demand of a modern car.

Ford V-8 performance, safety and reliability and Ford V-8 thriftiness are very much in style. Because Ford quality goes far below the surface. It is built into every part of the car to match the standard of the V-8 engine—in those features which you see and those which are hidden. For example, a V-8 engine is available in no other car under $2500. Consider the other features you get. Safety Glass throughout at no extra cost. Ford Centre-Poise Riding . . . roomy comfort . . . and the rich appointments and style that go to make this the finest Ford on the road. It costs us more to build a car like this—yet the price of the Ford remains low, which enables Ford to put fine-car quality within the reach of every one who drives.

TUNE IN THE FORD SUNDAY EVENING HOUR
Symphony Orchestra and celebrated guest soloists, 9 o'clock (E.D.S.T.) . FRED WARING AND HIS PENNSYLVANIANS, 9:30 Tuesday evening (E.D.S.T.) . Columbia System.

FORD V-8 for 1936

Investment Trends

Stock Prices Point To Downward Trend

Considerable Rallies May Develop Intermittently But Zig-zag Recession in Correction of Year's Advances Appears to be Possibility

Advances of share prices in the near future appear more likely to consist of rallies in a temporarily declining market rather than resumption of an upward trend. However, rallies could extend some distance. Investors can continue to look for continued irregularity, probably downward, first as likely to afford eventual buying opportunities, second to establish a foundation for better prices later in the year.

Higher taxation and reduction of government costs, being announced in the federal budget, are deflationary. To the extent that they restore business confidence in government finance, however, they should tend to stimulate recovery.

Early wheat outlook appears favorable to the size of the Canadian crop.

Total of building permits and construction contracts in the first quarter was disappointing, and large scale industrial activity in building seems likely to remain a hope, deferred for perhaps another year.

Course of Decline

STOCK market averages appear to be following a downward zig-zag. This week's slump gives the signals that market analysts have looked for to indicate a further irregular decline. Such a downward trend would be looked upon as temporary, as an offset to the almost uninterrupted rise of stocks since March, 1935. Some time would be required, however, for such a downward movement to culminate. Strong investment support is evident in stable, dividend-paying stocks and intermittent recoveries should occur even though the averages may eventually touch lower levels.

Price averages about 15 per cent below the present market are the lowest probable levels foreseen by chart readers. This would mean approximate minimum averages for industrial shares as follows:

Montreal Stock Exchange, 61-64.
Toronto Stock Exchange, 110-115.
New York (Dow-Jones), 126-130.

If the anticipations of market analysts are realized, it appears probable the low points for 1936 may be established between now and midsummer. Plumbing of bottom in the next two or three months would leave wide scope for advance before the end of the year.

Share equities continue to hold attractive recovery possibilities for the investor, given discriminating selection. Purchases should be based on past and present earnings and yields with the idea in mind of riding out market squalls.

* * *

Inflation Cry

PROFESSOR E. W. Kemmerer of Princeton University continues apprehensive of inflatory possibilities in the U. S. money set-up. Calling for cessation of new inflationary measures and repeal of radical monetary legislation, he stated recently that the American body economic is full of the inflation virus. Controlling it, he commented, is like trying to control the opium habit. He said, in part:

"By cheapening the value of the dollar in which all debts are payable, inflation obviously tends to help debtors at the expense of creditors. . . The greatest debtors in the United States on long-time account are not the farmers with their $8.5 billions of farm mortgages, but the stockholders of our corporations with their 30-odd billion dollars of bonded indebtedness and the greatest creditors are the people who own these bonds. . . A large part of our bonds and mortgages is held . . . by beneficiaries of funds held in trust."

Dr. Kemmerer has stuck to this attitude consistently.

* * *

In Summary

TAKING stock of current economic, financial and political affairs the influences favoring further improvement appear dominant, but numerous possible sources of disturbance for investments will be noted in the following:

RECOVERY—Biggest gains in capital goods, plant, housing, machinery, etc., and in agriculture still deferred; leaving room for improvement but gaps in business activity.

INFLATION—Trend of cheap money has been toward bonds, then stocks, and for the present may reach into building and real estate rather than primarily into raising cost of living.

CURRENCIES—Relative stability maintained as suspension of gold standard spreads, this week to Poland, and possibility of eventual restabilization on gold offers hope of improved international commerce.

INTERNATIONAL TRADE—Revival on even tentative currency stability might tend to encourage rising commodity prices, stimulating recovery and possibly inflationary trends.

EUROPE—Prospect seems to be gradual but dangerous elimination of more objectionable features of Versailles treaty with intermittent disturbances of investment markets in fear of war.

UNITED STATES — Cumulative nature of recovery forces, with monetary stimulus, promise expansion of economic improvement.

GOVERNMENT FINANCE — Higher taxation and economy only apparent alternatives to further crises and disturbances for government bonds or for Canadian dollar.

BONDS—Easy money promises to sustain high levels until new borrowing comes on market and unless outsiders liquidate holdings in Canada.

STOCKS—Prices having advanced rapidly in the past year, so recent recession is not unfavorable, and may finally develop into resumption of long-term rise.

* * *

Miscellany

SOME bond dealers are swapping clients out of government issues into corporate securities partly because they feel it is really a good move and also because there are better profits in corporation dealings. Depreciated bonds have tended to fluctuate with the stock market and have acquired a large following because of substantial profits in defaulted newsprints, municipals, and in a few scattered industrials and utilities.

* * *

Taxation aimed at virtual extermination of chain stores appears politically popular in Quebec and affects adversely such firms as Dominion, Thrift, Stop & Shop stores. While the companies may defeat discriminatory taxes in the courts, politicians may try other ways to victimize them.

* * *

The flour milling year continues but little improved over the 1934-35 period, to the disappointment of the trade and of investors; hence the recession of milling shares.

* * *

Opinion of front-ranking industrialists and investors has been sceptical of the boomlet in newsprint securities, as indicated in The Financial Post last week. They feel that a price between, say, $41 and $45 a ton keeps competition to a minimum, and may, therefore, turn out to be the best economic level.

* * *

U. S. taxation of corporation earnings and surplus has been changed so drastically and so often that the effect on companies like F. N. Burt, Fanny Farmer, Pressed Metals, Moore Corp., is still uncertain. Officials themselves are so confused that they decline to dogmatize on the subject. The Financial Post will analyze the proposed taxation when it is fixed. In any event, it is likely to be costly to Canadians holding shares in U. S. firms.

E. and T. Fairbanks Co. Redeem Preferred Stock

From Our Own Correspondent

MONTREAL.—E. and T. Fairbanks Co. Ltd., subsidiary of Canadian Fairbanks-Morse Co., redeemed at the beginning of April all of its outstanding 7 per cent preferred stock, amounting to $300,000, at $110 a share. Of the 3,000 shares outstanding, 2,472 were owned by the parent company.

Winnipeg Electric Company

4½% First Mortgage Bonds

(First Series)

DUE JANUARY 2nd, 1960

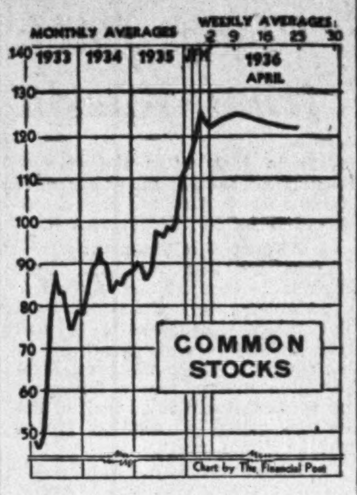
For the year 1935 earnings, after depreciation, were sufficient to cover over 10 times the annual interest requirements of $157,500 on this issue.

Price: 103 to yield about 4.30%

NESBITT, THOMSON & COMPANY LIMITED

355 St. James Street West, Montreal

Branches in the principal cities of Canada



SHARP DECLINE

Common stock prices have had a pronounced downward move following the last date in the above chart of Dominion Bureau indices. Comparative index numbers appear on this page.

Dominion Stores Sales Increase

Gain 9.1 Per Cent in 4 Weeks to April 18 — Increase Stores

Dominion Stores sales in the 4-week period ended April 18 were 9.1 per cent above those for the corresponding 1935 period. This marked the sixth consecutive period of increase.

The gain in volume for the four weeks was done in 13 more stores than were in operation in the 1935 period. Total stores were 494, compared with 481 a year earlier. The company appears to have completed its period of store-closing and is expanding again in what appear to be profitable locations.

For the year to April 18, sales showed a total gain of 9.4 per cent over the 1935 period. Comparative figures follow:

Dominion Stores Sales

4 Weeks to:	1936	1935	Inc.
	$	$	%
Jan. 25	1,413,478	1,226,611	15.2
Feb. 22	1,452,088	1,352,553	7.4
Mar. 21	1,513,367	1,417,909	6.7
Apr. 18	1,510,891	1,385,269	9.1
Total	5,889,824	5,382,342	9.4

Company Reports

International Utilities

Gross earnings, net income and net profits of International Utilities Corp. showed advances in 1935 over 1934. Consolidated earned surplus was advanced during the year from $1.9 to $2.1 millions. Net losses on sales of investments amounted to $522,178 as against $1 million in 1934. In both years these amounts were deducted from reserves already provided. Consolidated capital surplus as a result of this deduction and other deductions for loss on subsidiary investments dropped in the year from $3.9 to $1.5 millions.

Working capital position is strong. Cash and marketable securities alone reach $4.4 millions. All current liabilities are only $1.4 millions.

Consol. Income and Surplus Acct.
Years Ended December 31

	1935	1934
Operating revenues:	$	$
Water	2,400,288	2,568,510
Electric	1,648,657	1,808,920
Gas—manfd. & natural	3,790,334	3,365,961
Ice	79,463	100,110
Hot water	43,594	49,087
	7,962,334	7,892,588
Other income:		
Earns. of prop. sold	55,143	33,433
Int. and divids.	193,845	143,491
Prof. on Can. exch.	......	1,812
Miscellaneous	44,254	48,197
Total income	8,255,576	8,119,521
Less oper. expenses:		
Operations	3,418,643	3,377,315
Maintenance	479,373	452,367
Income taxes	237,849	192,679
Other taxes	657,658	680,939
Prov. for bad debts	44,103	63,761
Net earnings	3,417,950	3,352,460
Less: Prov. for amort., deprec. & depl.	893,115	912,429
Interest (subsids.)	1,287,168	1,229,477
Other interest	54,285	139,519
Amort. of debt disc. & exps. of subsids.	64,731	40,337
Prov. for amort. of defd. chgs.	31,738	47,107
Pref. divids. of subs.:		
Pay. in cash	466,593	274,499
Pay. in pref. stk.	45,478	220,576
Disc. in Can. curr.	2,122	......
	572,720	486,516
Less: Proport. applic. to min. int. in subs.	78,372	79,616
Net profit†	494,348	408,900
Less appropriations:		
$7.00 prior pref.	48,358	52,517
$3.50 prior pref.	179,976	173,723
Surplus for year	266,014	182,660
Add: Prev. surplus	1,905,263	1,869,769
Misc. credits	9,806	......
Adj. re earn. of subs.	8,851	......
Adj. of min. int.	51,976	......
Less: Prov. for refund.*	170,000	......
Undistrib. surplus (subsid)	......	87,293
Spec. invest. exps.	......	10,681
Adjust. re accum. earns. of subs. not avail. for divds.	......	41,813
Misc. charges	......	7,379
Bal. earned surplus	2,071,910	1,905,263

† Exclusive of net losses on sales of investments amounting to $522,178 in 1935 and $1,027,482 in 1934.

* To consumers for rate reduction applicable to prior periods.

Paramount Pictures

Paramount Pictures, Inc. and subsidiaries in 1935 earned $3.2 millions net profits after all expenses except a special reserve of $2.5 millions against inventory productions not released at the end of 1935. This is equal to 78 cents a share on 1,610,458 shares of common stock, including scrip, after dividends on preferred shares.

Working capital is high. Current assets of $38 millions include $18.1 millions of cash, call loans and marketable securities. Current liabilities were $9.8 millions and working capital $28.3 millions. Inventories aggregate $15.9 millions after the $2.5 millions reserve mentioned. Normally the high cost of pictures not released at the end of the year would be charged to 1936 operations. As excess cost was an incident of the studio reorganization, it was decided to absorb it in 1935 by means of this special reserve.

Western Bank Debits

Bank debits in the Canadian West last year were up 1 per cent as compared with a decrease of 4 per cent for the Dominion as a whole.

Windsor Plan Gets Approval

Bondholders' Committees Favor Finance Commission Scheme

Committees representing debenture holders of the former municipalities comprising the new city of Windsor have decided to approve the draft plan of financial reconstruction prepared by the Windsor Finance Commission.

Particulars of the scheme were presented in The Financial Post for April 11. Legal details are now being completed.

Council's Claim

Some members of the Windsor city council are opposed to the refinancing plan. Their claim is that it may result in an increased tax rate. Creditors point out, however, that the whole plan is based upon a tax rate of 40 mills.

The plan involves refunding of obligations of the four municipalities, new securities to carry sinking funds. There would be some measure of control over municipal expenditures.

Details of Scheme

Interest rates on the new bonds would be 1½ per cent for Sandwich, 2 per cent for East Windsor, 3½ per cent for Windsor and 4½ per cent for Walkerville. Provision is made for possible additional interest on an income basis.

Full details will be sent to all debenture holders when worked out. It is the intention of the committees to submit the scheme to individual debenture holders with the recommendation that they approve of its adoption. Subsequently, approval of the Ontario Municipal Board will be necessary.

Metal Prices

New York—April 28—
Copper: Electrolytic spot and future, $9.50.
Silver: 44¾c.
London—April 28—
(Long Ton)—
Copper: Electrolytic spot, £41 5s; future, £41 15s. Standard spot, £37; future, £37 7s. 6d.
Tin: Spot, £207 12s. 6d; future, £202 17s. 6d.
Lead: Spot, £16 5s; future, £16 5s.
Zinc: Spot, £15; future, £15 2s. 6d.
Gold: 140s. 10½d.
Silver: 20¼d.
Canada—April 28—
Gold: $34.88.

Montreal Asks Enquiry Into Tramway Situation

From Our Own Correspondent

MONTREAL.—Two enquiry commissions into the affairs of Montreal Tramways Co. are provided for in the city's final draft of the Montreal bill, which now goes to the Quebec legislature for approval.

One enquiry will be made by the city auditors and another by a commission to be composed of a justice of the Superior Court and representatives of the city and company.

For some time there has been strong agitation in aldermanic circles for a revision of the 1918 contract made between the company and the city. Under the terms of this contract the company is guaranteed a minimum return of 6 per cent on capital invested, the setting up of various reserves, and, finally, payment of an annual rental of $500,000 to the city.

Revenues of the Tramway Commission have not been sufficient in the last two years to pay the annual rental to the city. Consequently there has been a demand that the contract be revised, reducing payment to the company, so that the annual rental will be available to the city.

The Tramway contract can only be upset by an Act of Legislature and in order to prove grounds for a revision, the Montreal city council now seeks an enquiry, the outcome of which they expect will provide grounds for asking the legislature to revise the contract.

Fraser's Plan Moves Ahead

Scheme Is Approved by Bondholders — Stockholders Next

From Our Own Correspondent

MONTREAL. — Fraser Cos.' plan for the liquidation of interest arrears allowing maintenance of working capital has been approved by bondholders. Holders of the voting trust certificates and common stock are expected to follow suit.

Under the plan it is proposed to offer holders of the certificates and common stock, new voting trust certificates at $12 each on the basis of 9 new shares for every 8 held. Proceeds will be used to pay off arrears of bond interest and interest on bank loans.

In the event the shares are not all sold, the company reserves the right to distribute the new stock in the ratio of five shares per $1,000 bond for each one-half-year period of accrued and unpaid interest.

Upon completion of the plant the company will have issued an additional 186,866 shares, bringing the amount outstanding up to 355,016 shares, of which all but a small proportion will be covered by voting trust certificates.

Public Utility Earnings

B. C. Power Corp.

March—	1936	1935
	$	$
Operating revenue	1,198,827	1,097,579
Operating expense	853,665	768,174
Net revenue	345,162	329,405
Nine Months Ended March	1936	1935
	$	$
Operating expense	10,463,960	9,803,811
Operating revenue	7,086,781	6,536,392
Net revenue	3,377,179	3,267,419

Southern Canada Power

March	1936	1935
	$	$
Gross revenue	171,420	169,985
Operating expenses	72,807	69,670
Net revenue	98,613	100,315
Six Months Ended March	1936	1935
	$	$
Gross revenue	1,080,505	1,083,482
Operating expenses	433,111	425,760
Net revenue	647,394	657,722

Mexican Light & Power

February	1936	1935	Increase
	$	$	$
Gross earns.	661,063	629,724	31,339
Oper. exps. & deprec.	444,533	438,650	5,883
Net earns.	216,530	191,074	25,456
Two Months Ended February 29:			
Gross earns.	1,354,426	1,289,587	64,839
Oper. exps. & deprec.	898,496	881,986	16,530
Net earns.	455,930	407,621	48,309

Brazilian Traction

March†	1936	1935	Decrease
	$	$	$
Gr. earn.	2,514,418	2,530,448	16,030
Oper. exps.	1,164,182	1,170,375	6,193
Net earn.	1,350,236	1,360,073	9,837
Three Months Ended March 31:			
Gr. earn.	7,406,617	7,578,064	171,447
Oper. exps.	3,438,088	3,545,565	107,477
Net earn.	3,968,529	4,032,499	63,970

†The decrease is stated to be more than accounted for by the decline in exchange.

Canada Northern Power

March—	1936	1935
	$	$
Gross revenue	372,617	353,166
Operating exps.	136,736	130,974
Net revenue	235,881	222,192
3 Mos. End. Mar.31—		
Gross revenue	1,128,530	1,070,415
Operating exps.	416,056	396,186
Net revenue	712,474	674,229

Digby Hospital Calls First Mortgage Bonds

From Our Own Correspondent

MONTREAL.—Holders of the 6 per cent first mortgage sinking fund bonds of Digby General Hospital have been notified that all of the outstanding bonds will be redeemed on June 1 next, at 101 and accrued interest.

Investment Notes

Brantford Cordage—Reports that the 8 per cent first preferred shares of $25 each will be redeemed at $30 cannot be confirmed officially, but the way in which they have hovered fractionally above the call price suggests redemption possibilities. The shares are callable on any dividend date on 60 days notice. Binder twine prices, incidentally, are up about 10 per cent this year.

* * *

Geo. Weston — Offering of shares in George Weston Foods Ltd., the British venture, to the Canadian firm's shareholders leaves them a bit confused. They don't know just what they are being asked to buy into, although they were willing to let their company do it without much question.

* * *

Fanny Farmer — March sales figures are not available, but a report is expected in May. As stated here before, floods in the eastern states dampened several stores, interfering with early spring business.

* * *

Stop & Shop — The company is telling the world, via advertising, that sales from its new "shopeterias" have been good. The new sales plan is a final effort to reach a satisfactory earning basis.

* * *

Union Gas—Hints of good things for this western Ontario utility have been justified in declaration of a 10-cent dividend and the accompanying inference in the announcement that a regular basis of payment would be maintained. The shares promptly dropped one point to $10, evidently because the good news had been over-discounted.

* * *

Canadian Mines—Shares of senior gold mines, and of Noranda and International Nickel, appear in portfolios of many American investment trusts. One of these, General Public Service Corp., in the last quarter of 1935 showed the following changes:

Dome—Doubled holdings to 2,000 shares.

McIntyre—Also doubled to 2,000.

Wright - Hargreaves — Increased holdings from 3,000 to 6,000 shares.

International Nickel—Reduced 400 shares to 2,600.

* * *

Ford of Canada—U. S. and Foreign Securities Corp. sold 1,400 shares in the first quarter of 1936, reducing its holding to 1,100 shares. Other U. S. investment trusts have also been sellers of the shares.

* * *

Nickel, McIntyre — Purchase of 1,100 shares of McIntyre Porcupine and sale of 300 shares of International Nickel in the first quarter of 1936, are reported by Investors Fund Sales, Inc., U. S. trust.

* * *

English Electric — Listing of the 36,190 class A and 40,000 class B shares of English Electric Co. of Canada has been approved by the Toronto Stock Exchange. This transfers the issues from the curb to the regular list, as has been done in Montreal.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.2	140.3	194.8	55.4	122.7
Weekly Figures, 1936:										
April 2	134.6	18.6	91.2	242.5	71.0	150.1	139.4	198.0	54.3	123.1
Apr. 9	137.7	18.6	93.2	254.5	71.8	161.5	134.2	202.6	54.7	125.5
Apr. 16	134.7	18.1	91.8	247.0	71.7	152.7	130.3	198.7	54.0	123.3
Apr. 23	130.8	17.4	90.3	241.6	71.8	151.4	126.5	193.8	53.0	120.4

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc Mines
April 28	128.40	126.17	128.60
April 27	129.07	126.97	129.58
April 25	132.28	128.95	132.91
April 24	131.82	128.48	132.54
April 23	130.89	128.81	132.17
April 22	132.85	129.84	134.23
Month ago	135.30	127.29	133.82
Year ago	104.66	114.57	100.19
High, 1936	143.48	135.81	144.33
Low, 1936	127.59	115.97	125.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
April 28	67.8	70.8	69.7
April 27	68.3	72.2	70.9
April 25	69.0	73.1	71.7
April 24	60.4	73.4	72.1
April 23	69.5	73.3	72.1
April 22	70.2	74.3	72.9
Month ago	71.5	75.1	73.9
Year ago	57.4	58.6	58.2
High, 1936	73.4	78.4	76.6
Low, 1936	68.0	70.3	69.6

FAMOUS PLAYERS CANADIAN CORPORATION LIMITED

First Mortgage and Collateral Trust 4½% Bonds, due June 1, 1951

< Offered to yield over 4⅝% >

These bonds form part of a total issue of $7,100,000 3-3½-4½'s, the proceeds of which will be applied towards the retirement on July 1 of the Corporation's outstanding 6% first mortgage bonds and 6½% debentures.

In exchange for the new 4½'s we will accept either the existing 6% or 6½% securities at the call price of 103, plus premium on exchange; interest to be allowed at 6% or 6½% (as the case may be) to July 1.

L. G. BEAUBIEN & CO., LIMITED
MONTREAL

QUEBEC THREE RIVERS OTTAWA TORONTO PARIS (France)

New Issue

Famous Players Canadian Corporation Limited

4½% First Mortgage and Collateral Trust Bonds

These Bonds mature June 1st, 1951, and are payable in Canadian funds. Denominations of $1,000 and $500 are available registerable as to principal. Callable on 45 days' notice to June 1st, 1941, at 103, and thereafter at decreasing premiums. Sinking fund commencing June 1st, 1943, amounting to $200,000 principal amount of these Bonds per annum.

In the opinion of Counsel, these Bonds will be a legal investment for Insurance Companies.

Price: 98.50 and accrued interest, yielding over 4⅝%

A prospectus, a copy of which has been filed under the provisions of the Companies Act, 1934, will be promptly furnished on request.

Wood, Gundy & Company Limited

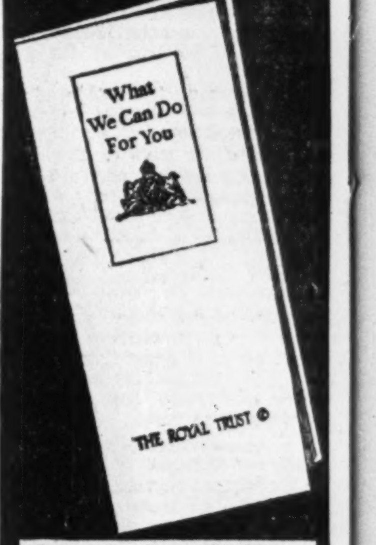
Toronto, Montreal, Winnipeg, London, Eng. — 36 King Street West, Toronto, TELEPHONE: ELGIN 4321 — Ottawa, Hamilton, Vancouver, London, Ont.

Bathurst Power Meeting Adjourned to May 26

From Our Own Correspondent

MONTREAL.—At the request of a majority of the shareholders, the annual meeting of Bathurst Power & Paper Co. has been adjourned until May 26.

No reason was given at the meeting as to the cause of the adjournment.



Executorship-Trusteeship-Management and other Trust Services are explained in this Booklet which will be sent upon request.

THE ROYAL TRUST Co
EXECUTORS TRUSTEES

105 St. James Street, Montreal — 59 Yonge Street, Toronto

Branches throughout Canada, in Newfoundland and in London, England

Agency: CHARLOTTETOWN, P.E.I.

ASSETS UNDER ADMINISTRATION EXCEED $767,000,000

STETSON

Newest Styles and Colors

$6

$6.50 lined
Air-Light Weight $5

OTHER MAKES
Brock $5
Kensington $3.50
Style Park $2.95

Calhoun
THE HATTER

97 Yonge St. 437 Yonge St.

Toronto's Only Exclusive Hatter

Bond Markets

Western Bond Prices Rise in Dull Market

With British Columbia Maturity Provided For Western Provincial Bonds Regain Lost Ground

General quietness has pervaded the bond market. While the tone of the market for government bonds has been better, trading has been dull.

Industrial issues, however, have shown a slight weakening tendency. Prices have eased off fractionally in sympathy with the New York market.

Fears of a default by British Columbia on its $3.5 millions maturity on May 15 have been dissolved. Arrangements have been made by the province to sell some of the high-grade securities held in its sinking fund.

Saskatchewan has asked for a loans council, being the first province to accede to the federal government's scheme for guarantee of the debts of the western provinces. No legislation has been passed by the Dominion government to make the scheme possible.

No news has been forthcoming from the Alberta government as to what progress is being made with its refunding plans.

Famous Players refunding issue of $7.1 millions is reported to be going well. As in the case of other recent refunding operations, the short-term bonds were taken up prior to the public offering.

More Refunding

WHILE a large volume of corporation refunding has already been undertaken, a considerable amount still remains in prospect. Indications are that the present low level of interest rates will continue for some time so that there is not likely to be any rush "to get under the wire."

Low interest rates are held as a stimulant to recovery, but as yet there is no sign of any expansion of capital as a result of the present cheap money policy. There does not appear to be any possibility of new corporation financing developing on a substantial scale in 1936.

Listed below are a number of corporation issues, refunding of which at a lower coupon rate is probable. In every case the bonds are currently selling above the call price.

Callable Issues

	Coupon Rate %	Call Price $	Bid Price $
B. C. Power	5½	104½	105
Canada Northern Power	5	102	103¾
Dominion Tar	6	103	104¼
B. C. Telephone	5	105	105¾
Howard Smith Paper	5½	104	104¼
Ottawa Light	5	104	106¼
Provincial Paper	5½	101	102¼
Quebec Power	5	103½	104¼
Simpson's Ltd.	6	104	105
Southern Can. Power	5	102½	105¼

* * *

Western Bond Prices

WITH the exception of Alberta issues, there has been a general strengthening in the market for western provincial bonds. This reflects market feeling that with British Columbia's maturity provided for, the possibility of another provincial default has been considerably lessened.

In the case of British Columbia issues there has been a reduction in the price spread between the low and high coupon bonds. The 4 per cent issues have moved up 4 points and the 6 per cent issues 2 points.

The trend of the market is indicated below:

Western Bonds

Issues	Bid Prices April 28 $	April 23 $
British Columbia		
4's due 1947	88	84
5's due 1948	93	90
6's due 1947	94	92
Manitoba		
4's due 1950	95	94
5's due 1954	103	101
6's due 1947	103½	102
Saskatchewan		
4's due 1953	85	85
5's due 1958	93	92
6's due 1952	98	97

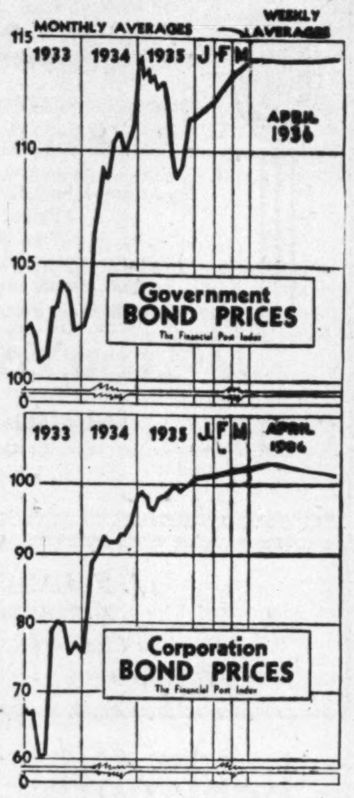
* * *

Bond Index

THE market for Dominion government bonds and eastern provincial issues has been firm, price changes being of a minor nature. The trend of the market is shown below:

The Financial Post Average Yield and Price For High Grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
Apr. 28	3.307	114.43	Apr. 27	3.470	113.62
Apr. 27	3.310	114.42	Apr. 26	3.470	113.52
Apr. 25	3.307	114.43	Apr. 25	3.480	113.51
Apr. 24	3.307	114.43	Apr. 24	3.506	113.31
Apr. 23	3.309	114.42	Apr. 23	3.510	113.27
Apr. 22	3.307	114.43	Apr. 22	3.510	113.27
Year's	3.303	114.55	Year's	3.367	114.97
Range	3.597	111.50	Range	4.097	106.57



Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Ontario Steel	6%	1943	July 1	110
Robt. Simpson	5%	1952	July 1	105
Imperial Realty	6%	1945	July 1	102
Catholic Epis. Corp. Timiskaming†	5½	1932-56	July 2	101
B. A. Oil	5%	1945	May 29	103
Dom. Canners	6%	1940	Oct. 1	110
Can. Realty	6%	Serial	June 1	105
Saguenay Pr.	6%	1966	July 1	104½
Can. Canners	6%	1950	July 2	105
St. Law. Flour	6%	1941	July 1	110
Maple L. Asbestos	7%	1944	June 1	102

† $65,000.

Religious Issues

Soeurs des Saints Noms de Jésus et Marie ($250,000), 1940 à 1946, 4½%, May 15.†
Synd. Paroisse Saint-Pierre du Lac, Val-Brillant, 5%, June 1.■
Religieux Ste. Croix, $485,000, 5½%, June 1.†
Diocese of Alexandria, émission $37,000, échéance 1936 à 1951, 5½%, June 1.*
Dominic. ou Frères Prêcheurs, Montréal, émission $85,000, 1934, 5%, June 1.†
Sisters of Charity, Qué., 5%, July 1.*
Fab. Sainte-Thérèse de Blainville, émission juillet 1925, 5%, July 1.*
Pères Eudistes, de la Province de Qué., émission $130,000, 5%, July 1.†
Sisters of Charity of Saint-Louis, Bienville, 5½%, July 1.†
Fab. Saint-Jean Damascène, Montréal, émission 1930, $85,000, 5½%, July 1.▲
Diocese of Timiskaming, émission $65,000, 5½%, 1932-56, July 1.†
Notre D. Hospital, Montréal, 5½%, Oct. 1.▲
Le College de Notre D. Cote des Neiges, 5½%, 1936-52, June 1.†

*Price 100; ▲102; †101; ■100½.

Italo-Argentine Electric Declares 4 Pesos Dividend

From Our Own Correspondent

MONTREAL. — Italo - Argentine Electric Co. has advised the Montreal Curb Market of the declaration of a dividend of 4 pesos less 5 per cent tax per share, or 3.80 pesos net per share, payable April 30 next against coupon No. 34.

This dividend is applicable to 1935, making the total payment for the year 7 pesos, 3 pesos of the amount having been paid last year.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	July 2	June 15
Bk. of Toronto	$2.50	June 1	May 15
Bunker Hill	50+25c	June 1	May 15
Bank of Montreal	$2	June 1	Apr. 30
Beattie Gold	5c	June 1	May 15
Bonded Corp.	10c	May 1	Apr. 24
Buffalo Ankerite	5c	May 15	May 1
Cosmos Imp.	20c	May 15	....
Celanese of Am. pr. pf.	$1.75	July 1	June 6
Do., part. pf.	$3.50	June 30	June 16
Cosmos Imp. p. new	$1.25	July 15	....
Can. Iron, pf.	$1.50	Apr. 30	Apr. 15
Can. Bk. of Comm.	$2	June 1	Apr. 30
Can. Converters	50c	May 15	Apr. 30
Crown Cork	20c	May 15	May 1
Can. Vinegars	30c	June 1	May 15
Canadian Oil, c.	12½c	May 15	May 1
Do., pref.	$2	July 1	June 20
Dome Mines	50c	July 20	June 30
Do., extra	50c	July 20	June 30
Dom. Bridge	30c	May 15	Apr. 30
Dom. Coal, pf.	38c	July 1	June 15
Gurd, pref.	$1.75	May 15	May 1
Hecla Mining	15c	May 25	Apr. 25
Hollinger Gold	5c+5c	May 19	May 4
L. of Wood Mill. pf.	$1.75	June 1	May 15
Loblaw Groc., A	25c	June 1	May 12
Do., B	25c	June 1	May 12
McIntyre Porc.	50c	June 1	May 1
McKinley Mines	2½c	June 1	May 15
Nat. Biscuit, pf.	$1.75	May 29	May 12
Do., com.	40c	July 15	June 17
Penmans	75c	May 15	May 5
Quebec Power	25c	May 15	Apr. 24
Royal Bank	$2	June 1	Apr. 30
Shawinigan W. & P.	15c	May 15	Apr. 24
South. Can. Pwr., c.	20c	May 15	Apr. 20
Toburn Gold	2c	May 21	Apr. 21
Union Gas	†10c	June 15	May 26
United Corp., A	75c	May 15	May 1
Ventures	‡12½c	July 2	June 15
Zellers, pfd.	$1.50	May 15	Apr. 20

†Interim. ‡Initial.

MAYOR AND M.P.P.

CHARLES W. COX

Mayor of Port Arthur, Ont., and member of the Ontario legislature. In recent years the lakehead city has improved its financial position. As a result the city has been able to reduce its tax rate in 1936 to 36½ mills, the lowest since 1919.

Blind River Bond Offer

$1,250,000 5½ Per Cents Are Offered Public at Par

Tate & Brent, Ltd., Toronto, are offering Blind River Pine Co. $1,250,000 5½ per cent 15-year first mortgage sinking fund bonds due April 15, 1951, at par and accrued interest. This company was formed to take over the assets at Blind River of the Carpenter-Hixon Co. It has also acquired the capital stock of Mississauga River Improvement Co. which controls river rights on the Mississauga river and tributaries. Other operators must pay tolls to the company on a tariff published by the company and approved by the Court.

In comparison with prospectuses issued under the Dominion Companies Act, which now are a standard for prospectuses issued in Canada, the prospectus issued in connection with this issue is sadly lacking in disclosure of financial and historical details. There is a balance sheet but it shows position of company at "completion of present financing." Apparently the whole working capital is to be obtained from the public.

Former Minister Heads Firm

The president is Hon. Beniah Bowman, former Minister of Lands and Forests for Ontario in the Drury government. The vice-presidents are Dr. I. G. Bogart, vice-president of Lloyd Refineries, and J. W. Slater, lumber merchant. The managing director is Chas. H. Greer, described as having operated successfully in lumber and timber business for the last 25 years.

Book value of assets is stated to be $4.8 millions before present financing. The company holds licenses for timber on 7 berths comprising 252 square miles cruised by the government:

	Feet
White and red pine	388,834,503
Jack pine	31,969,817
	Cords
Spruce pulp wood	180,433
Balsam pulp wood	197,134

These limits and unlicensed contiguous limits of four times the size will give mill supplies for 40 years, it is stated. The mill is modern and so are the ten dry kilns, lumber shed and yards. It is expected to sell products in Canada, the United States, the Argentine, Great Britain and the West Indies.

Favorable agreements entered into with the Ontario government and the United States-Canada reciprocity treaty effected recently lead to the company estimate that the company's lumber will be delivered on cars or vessels at Blind River at $22 per 1,000 feet and that the lumber will be sold for a profit of $8 per thousand feet. An average cut of 40 million feet of lumber would give $320,000 by this method of calculating or $370,000 annually if one takes in $50,000 for pulpwood cut and sold.

$1,250,000

Blind River Pine Co. 5½ per cent 15-yr. 1st mortgage s. f. bonds dated April 15, 1936 and due April 15, 1951.

Denominations: $1,000, $500 and $100 coupon bonds registerable as to principal only.

Payable: Principal and interest semi-annually on April 15 and Oct. 15 in Canadian money at any branch of the company's bank in Ontario and Quebec.

Callable: On 30 days notice at $103 to April 15, 1941; at 102 to April 15, 1946; and at 101 to April 15, 1950; and thereafter at 100 to maturity.

Company: Is described as one of the largest manufacturers of white pine in Canada.

Sinking fund: 4 per cent per annum from April 15, 1938, estimated to retire 70 per cent of bonds before maturity.

Security: A direct 1st mortgage on all company assets.

Canada Northern Power Records Further Growth

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp. reports an output in March of 49.3 million kw.h. compared with 48.1 million kw.h. for the same month a year ago.

For the first quarter this year, total power output amounted to 145.5 million kw.h., an increase of 5.2 million kw.h. over the first three months of 1935. Customers at March 31, 1936, numbered 15,881, as against 14,698 a year ago.

Dividend and Interest Both Show Drop in May

Deferment of Ford of Canada's dividend is entirely responsible for the decline of almost $700,000 in dividend declarations for the month of May, compared with the corresponding month of 1935. Payment of a 50 cent dividend in May by Ford, as in the past two years, would have resulted in an increase in disbursements.

This is the first time since last November that a decrease has been recorded in monthly dividend payments, compared with the same month of the previous years. Declarations for the month total $3.3 millions as against $4 millions in May, 1935.

Interest payments are also lower, being estimated at $41.4 millions as compared with $44.7 millions in May of last year. Redemption of Dominion government issues is responsible for this drop. Interest payable on Dominion bonds this month totals $24.7 millions. In May, 1935, $29.2 millions was paid by the federal government in interest.

Cosmos Imperial Mills is the only company to report an increase in its common dividend in May, the disbursement being advanced from 17½ cents a share to 20 cents a share. Hollinger Consolidated Gold Mines has declared an extra of 5 cents a share. Russell Motor Car Co. is paying $1 on arrears of preferred dividends and United Corp. 75 cents on Class A arrears.

The record of May dividend and interest payments follow:

SUMMARY OF MAY PAYMENTS

	1936 $	1935 $
Dividends	3,332,394	4,025,448
Bond interest	41,412,150	44,734,461
Total	44,744,544	48,759,909

Dividend Payments

Company	Rate	Date	Amount $
Anglo Can. Tel., p.	.87½q	1	57,750
Beatty Bros., 1st pf.	1.50q	1	15,000
Blue Ribbon, pf.	.50q	1	14,925
Buffalo Ankerite	.05q	15	35,083
Calgary Power, pfd.	1.50q	1	90,000
Can. Bronze	.25q	1	20,000
Do., pref.	1.75q	1	12,600
Can. Converters	.50q	15	8,667
Can. Inv. Fund sp. & ord.	.03½q	1	26,990
Can. Investors	.10q	1	10,000
Canadian Oil, c.	.12½q	15	17,970
Cosmos Imp., c.	.20q	15	20,000
Crown Cork	.20	15	20,000
Dom. Bridge	.30q	15	154,185
Frost Steel, 1st pf.	1.75q	1	14,717
Guelph Carpet, pf.	1.62½q	1	11,930
Gurd, Chas., pf.	1.75q	15	4,550
Hightower Oil	.05m	1	8,825
Do., pref.	.05m	1	10,000
Hecla Mining	.15	25	150,000
Hollinger Gold	.05	19	246,000
Do., extra	.05	19	246,000
Humberstone Shoe	.50q	1	10,000
Imperial Bank	2.50q	1	175,000
Int. Nickel, pf.	1.75q	1	433,486
Int. Utilities, pf.	1.50q	1	30,904
Do., $3.50 pfd.	.75q	1	81,627
Neon Prod. of W. Can., pf.	1.50q	1	6,130
Nor. Can. Mining	.02	1	50,000
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Quebec Power	.25q	15	138,299
Russell Motor, pf.	1.75q	1	21,000
Do., on arrears	1	1	12,000
Shawinigan W. & P.	.15q	15	326,737
Simpsons, pref.	1q	1	112,500
Simpson, Robt., pf.	3s	1	100,500
South. Can. Pr., c.	.20q	15	80,000
St. Law. Flour	.50q	1	6,000
Do., pref.	1.75q	1	10,062
Steel of Can.	.43¾q	1	201,250
Do., pref.	.43¾q	1	113,685
Toburn Gold	.02q	21	37,000
United Corp., A	.75	15	48,202
Westminster Paper	.20	1	9,557
Weston, Geo., pf.	1.25q	1	18,750
Total			3,332,394

q-Quarterly. s-Semi-annually. m-Monthly.

BOND INTEREST DUE IN MAY

Company	Rate	Date	Due	Amount $
Alex. Apart, 1st mtge.	6½	15	1940	9,230
Bell Tele., C	5	1	1960	187,500
Brant. Roofing, A	6½	1	1950	19,012
Bruck Silk Mills	6½	1	1945	14,459
Calgary Brew.	5	1	1942	13,647
Canada Cement, A	5½	1	1947	469,122
Can. Nor. West. Rly.	4½	1	1943	462,997
Connors Bros.	6½	1	1938	4,062
Can. Nor. Pr.	5	1	1953	414,037
Can. Nat. Rly.	3	1	1944	525,000
Can. Nat. Rly.	2	1	1938	134,000
Dredging Contract	6½	1	1947	16,250
Duke Price Pr., A	6	1	1966	1,057,899
Eastern L. & Pr.	5	1	1964	15,000
East. Can. Coast, St.	6	15	1949	16,140
East Dairies, A	6	1	1949	86,910
Econ. Inv. Tr., A	5	1	1957	23,738
Gen. St. Wares A	6	1	1952	206,355
Gr. Lakes Power	6	1	Serial	42,705
Gr. Trunk Pac. 1st mtge.	4	1	1939	197,480
Do., Alta.	4	1	1939	48,600
Do., Alta.	4	1	1942	23,074
Hinde & Dauch, A	5½	1	1948	32,325
Hydro-El. Bond, A	5	1	1957	72,075
Ham. By-Prod.	5	1	1955	62,500
Kingston Elevator	6	1	1950	40,260
Mercury Mills, A	5½	1	1953	36,713
Montreal Cotton	5	1	1943	10,110
Mont. Is. Pr., A	5½	1	1957	254,375
Nat. L. & P., A	6	1	1949	60,000
Nor. Can. Pr.	6	1	1953	67,500
Nor. Ont. L. & P., A	6	1	1953	150,000
Paton Mfg.	*6	1	1953	21,567
Penmans	5½	1	1951	48,853
Porto Rico Pr.	5	1	1936	37,050
Do., refund	5	1	1962	24,332
Do., debs.	6	1	1950	28,485
Provincial Pap. A	5½	1	1947	105,862
Queen's Hotel	6	1	1947	30,156
Randolph Hotel	6½	1	1947	5,913
Shawinigan, B	4½	1	1968	357,007
United Grain, B	5½	1	1949	16,142
United Secs., A	5½	1	1952	89,952
Do., B	5½	1	1952	40,218
Van. Island Trans.	7	1	1943	15,687
Wabasso Cot.	*7	1	1942	15,102
Windsor Gas	5	1	1966	27,062
Corporation bonds				5,236,463
Municipal bonds				4,326,643
Provincial bonds				7,136,080
Dominion bonds				24,712,964
Total				41,412,150

* To be redeemed May 1, 1936.

Bond Tenders

5 p.m., May 4, Sch. Mun. of Low South, County of Gatineau—$12,000, 5 per cent, dated June 1, 1936, redeemable serially to 1956. J. C. Noonan, sec.-treas.

May 2, Yorkton, Sask.—$21,400, 5½ per cent, due 1952; $63,000, 5½ per cent, due 1957. H. M. Jackson, treas.

12 noon, Apr. 30, Dominion of Canada, Treasury Bills—$30,000,000, dated May 1, 1936, due Aug. 1, 1936. Bank of Canada, Ottawa.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Forest Hill Village	Apr...	Dominion Securities Corp.	3½%	20-yr.	$112,000	101.515	3.34%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Famous Players Canadian Corp.	Apr...	Wood, Gundy & Co., and Syndicate	3&3½%	1937-42	$2,100,000	......	....
			4½%	1951	5,000,000	98½	4⅝%
Blind River Pine Co.	Apr...	Tate and Brent	5½%	1951	* 1,250,000	100	5½%
Sisters of Misericorde of Montreal	Apr...	Comptoir National de Placement and Syndicate	3½%	1937-43	95,000	....	...
			4%	1944-49	385,000	100	4%

Refunding Issue

Famous Players Canadian Corporation
Limited

4½% First Mortgage and Collateral Trust 15-Year Bonds
Series "A"

To be dated June 1st, 1936 — To mature June 1st, 1951

Principal and semi-annual interest (June 1st and December 1st) payable in lawful money of Canada. Coupon Bonds in denominations of $1,000 and $500, registerable as to principal.

Proceeds from the sale of the First Mortgage and Collateral Trust Bonds, Series "A", will be applied towards the redemption of all of the Company's presently outstanding 6% First Mortgage Bonds, due 1948, and 6½% Gold Debentures, due 1948.

We offer these Bonds, when, as, and if issued and accepted by us, and subject to the approval of Counsel, at:—

98½ and accrued interest, to yield over 4⅝%.

Official prospectus furnished upon request.

VANCOUVER
OTTAWA
QUEBEC
SAINT JOHN
MONCTON
HALIFAX
FREDERICTON
CAMPBELLTON
CHARLOTTETOWN

W. C. Pitfield & Company
Limited

235 St. James Street, Montreal — 80 King Street West, Toronto

Bond Sales Higher For First Quarter

Sales in 1936 to Date Show Increase of $129 Millions

Bond sales in Canada for April total $10.4 millions, according to a compilation by the Dominion Securities Corp.

Total sales in 1936 to date are about $129 millions ahead of the same period of 1935, amounting to $214 millions. This figure does not include $75 millions of treasury bills sold by the Dominion government. No treasury bills were sold in the same period of 1935.

Bond financing in 1936 to date has been largely of an industrial nature and a large amount of this has been in the form of refunding issues. No financing has been undertaken by the Dominion government and only one provincial issue has been sold, this being $850,000. Municipal issues, however, have shown a very substantial increase.

A comparison of sales by groups follows:

Bond Sales to April 25
(000's omitted)

	1936	1935
Provincials	850	19,530
Municipals	19,146	2,078
Public utilities	57,075	4,438
Railways	95,000	48,000
Industrial & miscel.	41,963	11,153
	214,034	85,399

Vancouver To Meet With Bondholders

McGeer Suggests 3 Per Cent Bonds for 25-Year Term

A meeting of bondholders of Vancouver to consider refunding proposals is to be called for early in May.

The essential feature of Mayor G. G. McGeer's newest proposals are said to be as follows:

(1) Reduction in the interest rate on the city's bonds to 3 per cent from the present average of 4.65 per cent. Interest charges at the present time cost the city about $3.5 millions. It is estimated the reduction would save $850,000 annually.

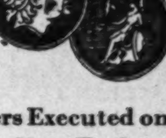
(2) Issuance of new bonds maturing in 25 years or some similar period, replacing the present issues which mature at various dates up to 1968.

(3) Suspension of sinking fund payments for a period of five years on the new bonds, payments thereafter to be at a rate sufficient to retire the bonds by maturity.

Provincial authorities have announced they will bring in a bill to permit refunding if support of 51 per cent of the bondholders is obtained. It is hardly likely that Mayor McGeer will get any more support for his proposal than he did a little over a year ago

St. Lawrence Flour Calls Rest of Bonds

MONTREAL.—St. Lawrence Flour Mills Co. has called for redemption on July 1 next at 110 and accrued interest, all of its outstanding 6 per cent first mortgage bonds, which normally would mature in 1941.



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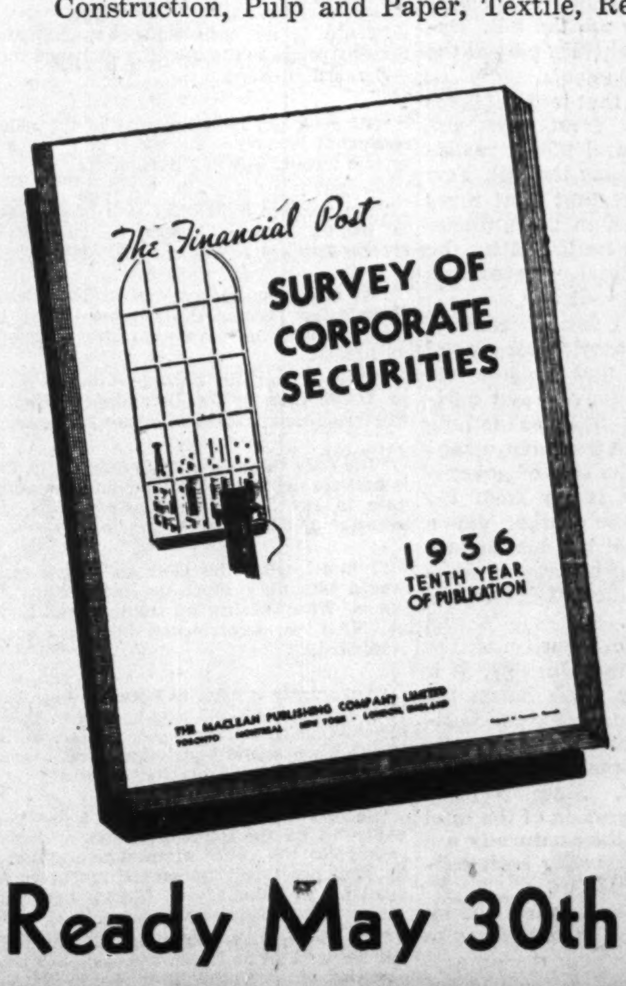

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TORONTO, MAY 2, 1936

Subsidized Propaganda

THE Ottawa Journal, in a timely and very vigorous editorial, takes to task an American writer for a most misleading piece of pro-United States propaganda appearing in a United States magazine. The author misrepresents the post-war policies of the United States and by implication plays down Britain's efforts. We reproduce the major part of the Journal's editorial on this page.

The curious feature of the situation is that the magazine in which the American's article appeared, and hundreds of thousands of copies of other magazines carrying articles written with a pro-American slant, are dumped in Canada at far less than cost of production and under favorable conditions not extended to Canadian publishers.

A Canadian magazine, giving our people the Canadian and British viewpoint on world affairs, is subjected to heavy duties and sales taxes on all of its raw materials. United States magazines are not subject to thes taxes.

Thus, out of the pockets of Canadian publishers the United States propaganda, which the Journal exposes, is effectively subsidized in this country.

Is this fair?

Not for Decoration, These Guns

THE Chancellor of the Exchequer has ended his year with a surplus but he has imposed new taxes to pay for Britain's programme of rearmament. Thus do Britons learn that the collective security system, which in the minds of so many people is synonymous with peace, is still an ideal to be cherished and not a practical reality to be enjoyed.

There is no nation in Europe which will admit that it is arming against any other nation. Each nation has armed for its own protection. But the armament race of the first fourteen years of this century led to the war and the present armament race must be called off or it will lead to war. Guns make good decorations for mantelpieces but that is not what they are made for originally.

While the mad race goes on, stimulated by the propaganda of profit-seeking munitions makers, nations which find themselves unable to finance ordinary commercial recovery are having only minor difficulty in financing war preparations.

The biggest sewer down which we pour money in this country is railway waste. But our losses there are small compared with what European countries spend on armies and their equipment.

Putting Heavy Load on Hansard

A NOTICEABLE tendency on the part of members of parliament to relax the rules of debate by permitting private members to place reams of material on Hansard, without reading it, is to be regretted. There is no surer way to destroy the interest and the value of Parliament's record of debates than to relax the rule that it is a report only of what is spoken by members.

At Washington, the House of Representatives long ago let down the bars so far as the Congressional Record is concerned and permitted congressmen to place on that record whatever matter they desired. The result is that the Congressional Record is now a combination scrap book and prose and poetical anthology of 435 politicians. Its contents bear little relationship to the issues of the day and it is devoid of that sort of debating which is the glory of the British parliamentary system.

Parliament is supposed to be the forum in which the representatives of the people assemble to discuss the problems of the country and enact policies designed to advance its interest. And the Commons should be pre-eminently the body in which the debating is most pointed and clear cut.

In the middle 20's the Commons took steps to speed up discussion: to compel members to prune their speeches to the quick. This was the purpose of the 40 minute rule—a rule based upon the belief that any member, other than a party leader, should be able, save on rare occasions (provided for), to state his case in this time.

The tendency of the M.P.'s to loquacity has been constantly in evidence ever since. It is manifest in their constant disposition to burden Hansard with statements which they have not time to read. Having dumped this excess matter on the record, they proceed with their speeches. Under the rules this may be done by unanimous consent, not otherwise.

In the new House, both the members and Mr. Speaker seem to be unwisely lenient in this regard. G. G. McGeer, Liberal M.P. for Vancouver-Burrard, on April 21 spoke on the relief bill. He used his full 40 minutes and was called to order by the chair. He then remarked:—"I just want to put these on the record." The result is an appendix of some 16 pages of small type covering statistics of the United States treasury department. It would have taken Mr. McGeer two or three times 40 minutes to read these figures and, had he done so, the Commons would probably have adjourned automatically through lack of a quorum,

Apart altogether from the mistake of overloading Hansard with statistical tables (never effective in debate) there is the question of cost. If Mr. McGeer desires to print and circulate 16 pages of U. S. treasury statistics he is at liberty to do so at his own expense. There is no good reason why the taxpayers should do it for him.

War on Loan Sharks

THE Canadian Senate is again delving into operations of loan shark organizations, as a result of the application of three companies for special federal charters to carry on business of making personal loans.

In 1931, The Financial Post made a thorough investigation of this major national racket whereby thousands of respectable citizens in all walks of life are forced to put themselves at the mercy of unscrupulous finance companies and similar agencies in the event of money being needed for doctors' or hospital bills and other legitimate ends. Actual cases were cited to show that the cost of such money on the basis of simple interest ran anywhere from 50 to 200 per cent, with the average nearer the latter figure. These were typical instances which might be confirmed at any time by anyone troubling to check the record of chattel mortgages in almost any community of any size in Canada.

Two major reasons why these parasites continue to operate are found, first, in the conflict of jurisdiction between federal and provincial governments in the matter of loan operations and interest rates, and second, in the widespread confusion which exists in most people's minds as to the nature of the business done by legitimate personal finance corporations.

On the first point, the small committee of senators now investigating the whole matter can do an important service by obtaining a clear-cut statement as to the legislative position of provincial and federal authorities. They should not only pass legislation to give the maximum opportunity to legitimate loaning bodies of this type, as far as federal jurisdiction is concerned, but they might also suggest a clear course of action for provincial governments to take in this regard, and attempt to clarify the anomalies and ambiguities which have arisen in a definition of the term "interest."

At present, many of the shyster concerns operate under provincial charters which call for no supervision of their operations outside the very general provisions of a usury law, which to all intents and purposes is ineffective. Thus there are reported to be in the Toronto area alone at least 70 loan sharks, salary buyers, high raters and other unlicensed money lenders charging rates ranging from 120 to 560 per cent per annum.

Toward a better understanding of the operations of well-operated personal loan companies, there is need for consistent and unbiased educational work similar to that done by the Russell Sage Foundation in the United States. Discouragement of legitimate enterprise because the service they render cannot be offered profitably without charging a fee which may amount to 20 or 25 per cent on the basis of simple interest, is simply to overlook the true nature and function of this business of "retailing" money and tends to drive borrowers into the hands of the parasitic loan shark.

Filched from the Worker

THE most insidious kind of taxation known to mankind is the indirect tax and this, perhaps, explains its increasing popularity with governments in Canada and elsewhere.

No one likes to pay taxes and so governments in recent years have developed considerable ingenuity in fooling the public as to who actually pays the tax bill. Deception has become an inherent part of the tax programme of governments.

Experience has shown that indirect taxes can be collected with great ease and almost without the general public realizing that in the end they pay the bill. Few people seem to be aware that most taxes are eventually passed on to the ultimate consumer whether they be levied by the federal, provincial or local governments on the producer or distributor.

A recent issue of the Guaranty Survey, published by the Guaranty Trust Co. of New York, points out that because the average industrial, commercial and agricultural employee pays little or nothing in taxes, he assumes that he is not a substantial contributor to the cost of government. This assumption is far from the truth. Not only does the worker pay a large part of the tax bill but his welfare is affected in indirect and unforeseen ways by heavy taxes. He is affected both as an employee and consumer.

High taxes affect the security of the worker's job and the rate of his pay. It is well known that heavy taxes lessen the ability of the employers to remain in business and to maintain and expand operations. Tax burdens force employers to think of retrenchment. Since payrolls represent a substantial portion of the total costs of doing business, they naturally are subject to close scrutiny under such conditions, the Survey points out.

The Financial Post has pointed out on numerous occasions that high taxes also lower the standard of living of the worker. Though they may not reduce the level of money wages, real wages are lowered through the lifting of prices of commodities and services which the worker must purchase.

There is need for the truth to be known. If the worker realized that a good portion of his weekly wage went in taxes he would soon demand an explanation of how and why the money was spent. Governments in Canada spend about 30 per cent of the national income. A corresponding figure is deducted each week from the pay envelopes of the worker but he does not know it. Because he pays his taxes in the price of commodities, the worker is indifferent to the rising cost of government. He fails to realize that there is little hope for improvement in his position unless taxes are reduced.

Deserved Prosperity

ENGLAND is prosperous because it deserves to be prosperous," said Sigmund Samuel, LL.D., Toronto business man, in an address this week.

The words were truly spoken. England's climb out of the depths of depression was the result of conservatism in financial policies. "Sound finance always pays," was the slogan of the National Government in the last election.

In Canada, too, sound finance would pay us well in recovery dividends.

Checking Up on Postage Stamps

THE votes and proceedings of the Ontario Legislature for the day prior to its prorogation contain four pages of names of agents handling insurance policies for the Ontario Hydro-Electric System. Sums as small as 96 cents for a single policy were involved. In addition, there were 11 pages of fine type listing the names of employees who have been discharged or requested to resign during the past year.

If the Ontario Hydro is to be run as a business institution and is to be given competent administration its officers should not be made to report to the Legislature for every minor detail of its operations. Only the results should count; only major policies should come before the Legislature for discussion.

What has happened is obvious. The politicians, aided and abetted by the leaders of both of the major parties, have got Hydro into their clutches, and they intend to run it for purposes of patronage and small-time political prestige. Some four hundred million dollars of public money is tied up in Ontario's hydro-electric enterprise, and some scores of municipalities are interested quite as much as is the provincial government. There is a great deal of discussion about preserving the integrity of the Hydro as a publicly-owned institution, but it is much more important to preserve its integrity as a competently administered commercial enterprise. This cannot be done if every minor detail of its operation is going to be discussed in public by the politicians. It may not be long before it will take more of the Hydro officials' time to satisfy the politicians about minor details than they will have left to run the enterprise.

Post-Scripts

"The Fiddler Crab"

ONE of the largest Canadian libraries has a valuable and unique collection of music and books dealing with music in all its forms. Unfortunately it has never been catalogued so that it is necessary for a member to go to the "stacks" and find whatever piece of music is wanted. Recently a member had occasion to look through the collection. In doing so he came across a book which many musicians might have found difficult to understand. It was a scientific work on "The Fiddler Crab."

Sayings of the Week

"The intellectual function of trouble is to make men think."—*John Dewey.*

* * *

"It is business that is responsible for the mess we are in today."—*J. S. Woodsworth, M.P.*

* * *

"We have at last reached a decisive turning point in the history of Europe."—*Dino Grandi.*

* * *

"I am not struck so much by the diversity of testimony as by the many-sidedness of truth."—*Stanley Baldwin.*

* * *

"Legislation passed in the last five years cannot be cited as a precedent; it is all wrong."—*J. F. Pouliot, M.P.*

* * *

"There is no such thing as arithmetically relating prices to the quantity of issued money."—*Bernard M. Baruch.*

* * *

"All book publishers worthy of the name are somewhat literary themselves, and hence more or less insane."—*Bruce Barton.*

* * *

"The country is heartily sick of politics as it is played here."—*Thomas L. Church, M.P., speaking in the House of Commons, Ottawa.*

* * *

"We are living in an age in which lack of confidence has become the dominant note in the lives of all of us."—*Nicholas Murray Butler.*

* * *

"There is probably more building in Shanghai or Tokyo than in the Dominion of Canada."—*Robert Cromie, publisher of the Vancouver Sun.*

* * *

"The only reason we have defaults in Ontario is because nobody apparently had the ability or guts to say 'No.'"—*H. L. Cummings, deputy minister of municipal affairs for Ontario.*

* * *

"I know what the German people want. I would like very much to know what France wants. What Bolshevism wants is well known to us. That we experienced in our country."—*Adolf Hitler.*

* * *

"Apparently it costs us between four and five lives to raise 1,000,000 tons of coal in this province."—*Col. G. S. Harrington, opposition leader in the Nova Scotia legislature, and former provincial premier and minister of mines.*

* * *

"Second mortgage investors have been so badly hit by the depression and by legislation passed for the relief of mortgagors that there is today practically no second mortgage money available in Canada."—*T. D'Arcy Leonard.*

* * *

"We don't give a hoot about all this publicity. All we want to do is sell the coal. We have the best coal in the world down here in Nova Scotia but half the time we're not working because we can't sell it."—*Joe Nearing, Stellarton, N.S. miner who aided in the Moose River mine rescue.*

What U. S. Propaganda Really Means

OTTAWA JOURNAL

"As no other people have ever done in history, we made the peaceful gesture. We scrapped nearly $200 million worth of brand-new battleships. That was in 1922, when we told the world we wanted to lay down our arms, and never fight again, inviting the world to do likewise."—Morris Markey in McCall's Magazine.

Morris Markey is one of the most intelligent and best known of United States journalists. That he is capable of writing what we have just quoted, with his words winged for millions, many of them Canadians, illustrates vividly what this type of misstatement or misinformation means for our neighbors, and what, conceivably, it may mean for Canada.

Mr. Markey may or may not have known the truth of his subject. No matter. What matters is that he put before Americans a statement which, demonstrably inaccurate, will be accepted as gospel by millions, will make for false dimensions of political reality, for misunderstanding and suspicion, for that sin from which the United States suffers so conspicuously, namely: Pharisaical complacency.

For many good things in the world and in history, the United States may take credit. The story of United States post-war peace efforts is not among them.

* * *

The significance of what Mr. Markey writes, its danger, is that, unfortunately, it is accepted by millions who do not know the facts, who have small opportunity of learning the facts. For we cannot judge United States agencies of information by the standards of a few newspapers like the New York Times, the New York Herald Tribune, the Boston Transcript, the Baltimore Sun. These newspapers, enlightened and just, are read by but comparatively few Americans. In the Far West, in the Middle West, in the South, on countless Main Streets, newspapers give little or no world news; are hopelessly parochial; and statements such as that by Mr. Markey, repeated week after week in scores of magazine articles and newspaper editorials, and even in Congress, and blared forth night after night by "commentators" from radio stations, are accepted as the truth. It is Europe, old, evil, militaristic Europe, which makes the world sick. Virtuous America stands alone.

* * *

We are thinking, too, of the hundreds of thousands of Canadians who read these articles, who listen to such statements night after night from radio speakers. Hardly a night, as we turn on our radios, but there come to us the voices of these radio speakers, very skilful and eloquent—the Edwin C. Hills, the Boake Carters, the John B. Kennedys, the Paul Sullivans—discussing "world affairs." It will be well, we suggest, if Canadians can check up their statements. Well that they be given something of an antidote, something by which they can sift the false from the true. It is one reason for hoping that a recent offer of the Canadian Press to supply the Canadian Radio Commission with a four-times-a-day broadcast of accurate news from British and Canadian sources will be accepted. It may mean much to thought and sentiment in this country.

As Others See Us . . . . .

The Cost of War
Ottawa Journal

This is from The Financial Post:

"A compilation of Dominion Government figures shows that the total cost of the Great War to Canada, including interest charges over the past 20 years, has been the staggering sum of $4,341.5 millions."

There is only one thing worse than to lose a war—and that is to win it.

The Thrifty Maritimes
Saint John Telegraph-Journal

Take the matter of federal disbursements for relief purposes since 1931. A compilation from figures published in the Canada Year Book by the Dominion bureau of statistics shows that up to January 31, 1935, a total of $131,694,774 was contributed to the various provinces from the federal treasury, representing $12.69 for every person in the Dominion. The Maritime's share amounted to $6,798,895, or $6.74 per capita, about one-half the per capita cost for the whole Dominion, and considerably lower than any other province.

These figures speak for themselves. They indicate that these eastern provinces are coming nearer to paying their own way without outside help than any of the others. May they continue to do so, and set an example to the rest of Canada.

Provincial Bankruptcy
Saskatoon Star-Phoenix

. . . . What was and is being discussed is not a proposal but an actual condition, a condition of acknowledged bankruptcy by Alberta and of unacknowledged bankruptcy in the case of other provinces. The condition is made plain by the necessity of the provinces to obtain financial aid from the Federal Government. Of this The Financial Post says editorially: "The policy adopted a few years ago of seeing the provinces through with cash advances or bank guarantees was never a sound one. Ottawa should have insisted from the first on some control . . ." And if the provinces had refused to co-operate or allow that control, then, says The Financial Post, "It would have been far better to have let the provinces default and arrange whatever settlement was necessary and fair with their creditors." That position has now been reached.

Canada's War Costs
Kingston Whig-Standard

Describing them as "proof that war doesn't pay," The Financial Post presents the following recent compilation of Dominion Government figures on the cost of the Great War to Canada:

Direct war expenses .	$1,696,898,653
Pensions	641,836,554
Soldiers' civil re-establishment	223,691,732
War graves	4,811,287
Halifax explosion ...	6,000,000
Soldiers' settlement administration	24,848,628
Total cash	$2,598,086,754
Interest	1,743,402,150
Grand total	$4,341,488,904

Incidentally, it may be noted that the interest charges have reached a figure in excess of the direct war expenses. There is a strong argument here for war on a pay-as-you-fight basis, if a country will go to war. Of course, an iron-bound rule like that, if it were possible, would make wars even less likely. It is not possible to have much of a war except on the deferred payment basis; in other words, leaving it to posterity to pay a big part of the shot, if it ever is to be paid.

An Unfair Condition
Alameda (Sask.) Dispatch

Surely those responsible for the unfair situation which prevails at present in Canada, whereby the American magazines are permitted to enter Canada without restriction, will soon decide to effect some remedy. Our government will surely not allow the American publishers to reap a rich harvest at the expense of the Canadian publishers of magazines.

There is another and a greater evil as a result of this "open gate" policy regarding magazines from the States and it is the fact that these foreign magazines carry, in numerous cases, reading of a type not relished by countless thousands of Canadian people and their pages contain advertising of numerous products not allowed to be advertised in Canadian publications.

The Dispatch is not in favor of protection in any form but we are in favor of restriction of unfair methods of competition where quality of product is concerned; there is nothing to be gained by any group of businessmen or any industry in requesting government assistance in the operation of that business or industry, unless it can be shown that such assistance is in the best interests of the great mass of the people in all portions of the country and this, we humbly submit, is what the publishers of Canadian magazines have done in asking that a plug be placed into the leak which permits the unrestricted flow of American magazines into Canada.

Editor's Note.—Canadian magazine publishers have asked no plug for a leak; merely an opportunity to meet the flow of foreign magazines on even terms.

Other People's Views . . . .

Payrolls and Taxes
Vancouver Sun

British Columbia has the highest tax per capita of any province. Its taxes are $31.36; its government expenditure $36.14 for every man, woman and child. It takes 30 per cent of the net production to meet local government expenditures.

These are days of social planning, and it is up to governments to take a lead. But there is a difference between domination and supervision of industry.

It was private initiative, not government paternalism, which produced payrolls and factories and goods in the first place.

The history of British Columbia government generally has been one of raising new ways to spend money rather than new ways to make money.

Boiled down, each government regulation is simply a measure by which the government takes over so much more of the income of industry and business. And in spite of this taxation, there is piled up a mortgage against British Columbia assets of $180 millions provincial debt at high interest rates.

What is the government doing to offset this by attracting new capital for industries, and new revenue from such prolific sources as the tourist business?

Big Market Here
Sanitary Engineer

This question "What Price Salesmanship?" is being asked in many industries today, and not with any greater meaning than in the plumbing and heating industry. Despite the apparent belief of some to the contrary, the experience of the last three or four years has taught many in the industry that besides being an efficient installer, the present day plumber must exercise salesmanship, if he would get his share of the available business.

The automobile, radio and refrigerator industries have developed salesmanship to a point where they can count each year on a large volume of business from renewal of existing equipment, but there is a vast market in the replacement of plumbing and heating installations which has hardly been touched. There is much more needed today for the renewal of plumbing installations, most of which are more than ten years old, than there is for a man to drive a new car every second year. The automobile dealer is continually telling his story to prospective buyers, whereas they very seldom hear from the plumber or heating engineer.

Members of the trade who instituted an active selling effort in the last few years, are amazed at the results. The present year offers greater opportunities than ever. Salesmanship, properly applied, will result in renewed activity in the plumbing and heating industry.

Stop Me If You've Heard This One . .

A lady, on entering a railway station with twelve of a family, was amazed when the porter asked her if they were all hers, or if it was a picnic.

"Yes," replied the lady, "they are all mine—and it's no picnic."

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TORONTO MONTREAL

Week in Business

Income Payers Warned To Recalculate Returns

Procedure Outlined for Expected Changes in Budget —Second Quarter Looks Quieter — Commodity Prices

No matter how carefully you have made your income tax calculations this month it looks as if they will all have to be recalculated again very soon, when changes in the schedule, forecast for the budget, are slated to appear.

Ottawa officialdom says there is nothing new in this—that there is plenty of precedent both for an upward and a downward revision of rates after the last date for making returns.

The procedure is simply that taxpayers are expected to recalculate their taxable income on the new basis and send a cheque for the balance owing. If the shoe is on the other foot, then the government will mail its cheque to the taxpayer who has paid too much on the old schedule. It is not expected supplementary forms will be printed but the government will probably print and distribute leaflets describing the change (if any). For those who are tardy in making returns the government will send a bill for any amount owing.

* * * * *

A glance at first quarter business shows average volume of trade to have been almost 13 per cent above last year and fractionally below the corresponding figure of the last quarter of 1935. The recession corresponds to some extent with a similar trend in the United States but whether or not Canada will enjoy the sharp upward flurry of activity that has featured mid-April business in that country, remains to be seen. For the week ended April 18, ingot production in that country reached the highest level since May, 1930, and motor car production topped every record since 1929.

But business men and traders look traditionally ahead, and the sharp collapse of stock prices this week points to the fact that most of the spring business peak (which never quite caught up with market enthusiasm) is behind us and that summer skies (particularly abroad) are still clouded with trade and financial uncertainties.

* * * * *

In the Dominion, important news of the week included the announcement that dividend cheques had finally been mailed to prairie farmers for a total of $6.5 millions. Of this about $3.2 goes to Saskatchewan; $2.7 to Alberta and $600,000 to Manitoba. In another sphere wide interest followed the railways' bid for passenger traffic by a 13 per cent reduction in rates and restoration of the pre-war privilege of allowing a six months stopover on a return ticket.

* * * * *

Pointing out that prevailing commodity prices generally point to the volume of world trade and industry having been about maintained during recent months, a British viewpoint on the current business outlook tends to the feeling that if trade between nations is actually becoming less restrained, then the ground is being made ready for the beginning of a rise in commodity prices—a rise which will proceed for truly economic reasons.

"A commodity position such as this," says one observer, "would be markedly influenced by the large scale re-entry of Germany into the market for raw material. It is almost certain that this re-entry will be before long."

Another important factor cited by this commentator is the constructive outlook for building activity in the U. S.

Business Indicators

Changes of the Week

Favorable

Most March figures shown below are well above corresponding items a year ago, the aggregate gain as shown by The Post business index being 7.5 per cent. Three exceptions to the trend were imports of coal and raw rubber, and C.N.R. net earnings for March.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest—		—Cumulative Total— Jan. 1 to date	
	1935	1935	1936	1935
Transportation—				
Car loadings (Apr. 18)	▲44,533	40,283	673,371	683,161
C.N.R. gross earn. (Apr. 14)	$ 3,203,752	$ 3,159,326	$ 46,842,457	$ 44,684,752
C.P.R. net revenue (Apr. 14)	$ 2,474,000	$ 2,289,000	$ 34,271,000	$ 30,999,000
Business Conditions—				
Weekly index D.B.S. (Apr. 18)	▲105.4	100.3	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (Mar.)	▲106.0	98.6	......	......
Transportation—				
C.P.R. net earnings (Feb.)	$ 867,397	$ 850,144	$ 1,479,969	$ 1,054,458
C.N.R. net revenue (Mar.)	$ ▲941,533	$ 1,095,485	$ 76,742	$ 481,699
Iron and Steel (Mar.)—				
Pig iron production (tons)	▲35,009	44,727	172,096	126,402
Steel ingots and castings prod. (tons)	▲101,092	57,840	294,682	173,372
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Mar.)	▲9,451	9,244	18,480	18,079
Factory output (Mar.)	▲14,488	18,179	36,602	40,333
Trucks and Buses:				
Domestic sales* (Mar.)	▲2,149	1,717	4,076	3,585
Factory output (Mar.)	▲3,533	3,796	7,898	10,363
Exports (Mar.)	▲4,817	7,929	15,042	20,384
Construction—				
Building permits (Mar.)	$ 2,361,271	$ 4,022,755	$ 5,556,871	$ 8,507,270
Contracts awarded (Mar.)	$ 10,289,100	$ 8,499,000	$ 32,127,200	$ 29,391,300
Newsprint (tons)—				
Production (Mar.)	233,900	205,682	683,424	587,946
Sugar (lb.)				
Melting & shipments§ (raw)	22,935,521	27,020,430	64,425,496	64,787,549
Manufactured§	22,330,975	24,415,180	67,145,510	79,895,292
Flour (bbls.)				
Production (Feb.)	1,019,017	941.417	2,001,005	1,966,375
Wheat flour exports (Mar.)	476,773	497,468	1,131,186	1,153,296
Trade—				
Retail trade (index no. of sales) (Feb.)	69.1	69.1	......	......
Imports (Mar.)	$ 52,765,031	$ 48,191,140	$ 134,952,705	$ 122,464,255
Exports (Mar.)	$ 73,166,331	$ 59,026,422	$ 187,781,853	$ 151,077,456
Wheat exports (bush.) (Mar.)	13,146,185	8,906,379	34,944,674	21,493,205
Employment, D.B.S. Index (Mar. 1)				
All industries	98.9	96.4	......	......
Manufacturing	99.5	92.7	......	......
Electric Power Output (Mar.)—				
Total monthly (000's omitted)	▲2,135,460	1,943,555	6,164,052	5,759,744
Aver. daily	▲68,886	62,695	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Mar.)	▲142,062	100,122	240,192	263,982
Boot & shoe prod., pr. (Feb.)	1,835,240	1,580,041	3,349,199	2,909,921
Crude petrol. imp. gal. (Mar.)	▲65,383,000	43,646,874	166,169,265	157,171,158
Cotton imports, lb. (Mar.)	▲13,558,000	11,242,000	45,221,000	28,503,000
Raw rubber imp., lb. (Mar.)	▲4,052,000	6,071,408	12,246,272	15,543,508
Coal imports, tons (Mar.)	▲506,260	526,791	1,489,780	1,500,200
Finance—				
Bank debits (Mar.)	$ ▲2,598,811	$ 2,235,799	$ 8,358,328	$ 7,006,891
Bond sales (Mar.)	$ ▲122,846,225	$ 16,377,974	$ 395,417,114	$ 61,339,174
Life insurance sales (Mar.)	$ 31,664,000	$ 31,416,000	$ 96,125,000	$ 93,120,000
Automobile Financing—				
Used cars (Feb.)	$ 906,921	$ 848,001	$ 1,881,817	$ 1,361,077
New cars (Feb.)	$ 1,006,756	$ 1,136,203	$ 2,042,634	$ 1,787,475

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Mar. 31, 1936.

Plumbers Are Warned Against List Growth

Conditions for the manufacturer and the wholesaler have been increasingly difficult from the beginning of 1936, says Thomson Robertson, president, Canadian Institute of Plumbing and Heating, according to Sanitary Engineer. One problem he cited was the recent tendency to expand lists of distributors with little or no reference to their capacity or qualifications, or to the needs of the market.

"You have only to compare the proportion of wholesale units to business volume in this and other industries to realize that we have already passed far beyond the limit of truly efficient and economical distribution. It would appear that the time has arrived for retrenchment, rather than further extension in the number of such units, particularly in the central provinces."

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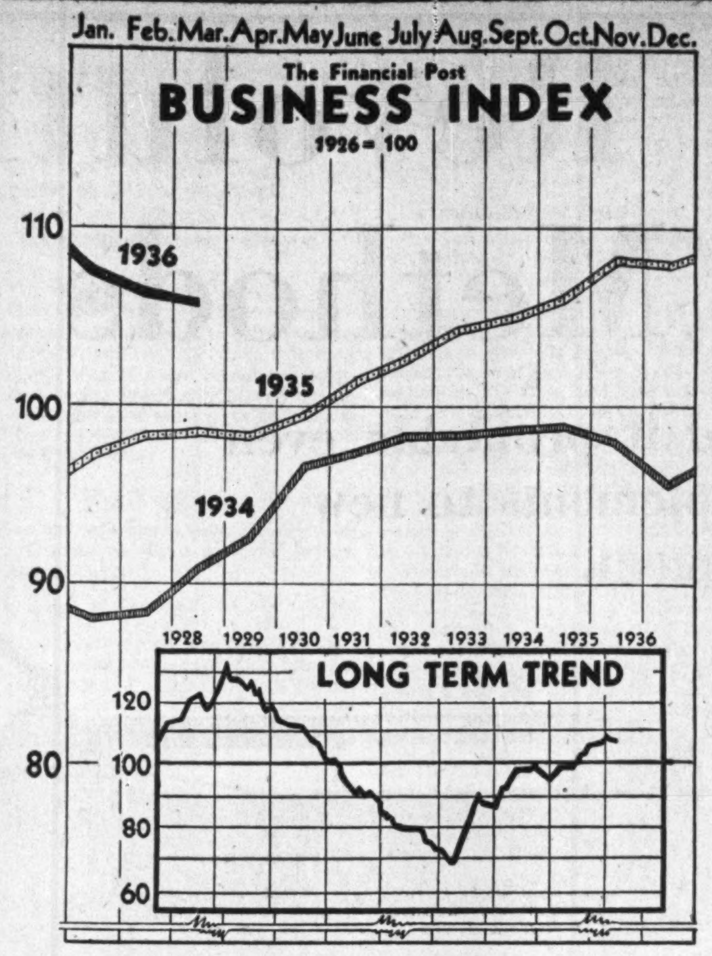


SLIGHT RECESSION LAST MONTH

The moderate recession in business operations apparent in the second month of the present year was continued in the third. The Financial Post business index receded from 106.8 in February to 106.0 in March.

Gains were recorded in manufacturing and electric power, while declines were recorded in mineral production, construction and distribution. After adjustment for seasonal tendencies nickel and copper exports showed considerable decline from the high level of the preceding month.

Background of Business

Woolworth Co. Attacks Obsolescent Outlets

Shifts Location in Four Canadian Cities — Progress Slow Toward Higher Prices — Orange Prices Rise — Trade Papers Disappear

Nothing makes retail ears prick more sharply than to hear Woolworth stores have gone to a new "top" price. First news of its kind was in 1932 when the old-time 10-cent top was lifted to 20 cents. Then last November this column reported a new departure into a 40-cent top which has apparently been slowly moving upward and now includes merchandise priced as high as from 50 to 75 cents. Latest stories from the U. S. purport to show that the new "top" will either be $1 or else no top price at all.

"I won't speak for the United States," said Leslie J. Harrington, general manager of Canadian Woolworth, to the Financial Post this week, "but as far as Canada is concerned we are still going very slowly on the higher-priced merchandise. We are not handling much of it—are still experimenting. The few lines we have added are for the most part not priced higher than 40 or 50 cents. So far, results have been satisfactory."

* * *

War on Obsolescence

The most important current news of Canadian Woolworth is its policy of shifting location in many communities to more favorable and up-to-date sites. Only one new store has been opened this year (Montreal), but four stores have been moved or are being moved to new, up-to-the-minute premises.

Two have already been moved at Nanaimo and Woodstock, Ont. One is opening at a new location in New Westminster this week and in two weeks a change over will occur at Kenora.

In this way the company is spending many thousands of dollars to rid itself of obsolete locations and properties.

* * *

Drug Sales Hit

One effect of the increasing Woolworth "top" price is that many articles regularly sold through drug stores may now be included under the new price limit.

A special article in Drug Merchandising also points out that the company now offers free delivery on all orders amounting to $2 or over, and that since the higher prices have come into effect, deliveries have jumped considerably as the customer can group a larger variety of goods at the store than before. Many of these deliveries are the result of telephone orders. This is said to be especially important for toiletry sales and other items specially suitable to "telephone shopping."

"Variety chain stores," says this trade paper, "have been making inroads upon the druggist's business in cosmetics and toiletries through the use of the very methods which the druggist used to originally build his trade—namely, the sale of well-known, standard merchandise offered at the right time and attractive shopping surroundings."

* * *

Orange Prices Rise

Since Jan. 1, Canadian orange-lovers have been reaping the benefit of the U. S.-Canada trade pact in low prices and good value, due to the fact that oranges come in free under the agreement during January, February, March and April.

On May 1, the tariff jumps to 35 cents a cu. ft., which was the old duty before the pact. The difference is said to amount to three to nine cents per dozen.

* * *

Alone in Field

Withdrawal from the trade paper field of "Fashion" and "Style Apparel for Men" leaves the trade now exclusively served by Stylewear Review and Men's Wear Merchandising.

Stylewear Review, for many years known as Dry Goods Review, is in its 48th year, and is said to be the only exclusively dry goods and stylewear publication which has been published regularly month by month in Canada during that time.

Men's Wear Merchandising has a 26-year record of publication, and is said to be the only Canadian trade publication serving this field exclusively.

The two papers which have now disappeared were published monthly up until 1933, when they changed to a quarterly basis.

* * *

Ethyl Gas Sales

Canadian consumption of Ethyl gas in 1935 increased 21 per cent, according to J. N. FitzGerald, divisional manager for the Ethyl Gasoline Corp. at Toronto.

Gallonage last year was 56.4 millions, as against 44.7 millions in 1934. Twenty leading refining companies market this product in Canada at the present time.

* * *

What's Your Car?

A recent survey of 5,000 Canadian citizens taken as a cross-section from the circulation list of a national magazine showed the largest percentage of automobiles on the road being either 1935 or 1929 models.

In answer to the question, "What year is your car?" the percentage of replies was as follows: 1935, 16.9 per cent; 1934, 13.3; 1933, 7.7; 1932, 7.8; 1931, 8.2; 1930, 13.7; 1929, 16.4; 1928, 9.2; 1927, or earlier, 6.8.

* * *

66 New Chains

In March, 18 new retail chains commenced business in Canada with 66 new stores, says Val Fisher in the current issue of Canadian Advertising. In the grocery field, 18 established chains added over 40 new stores to their aggregate total, and two new chains entered the field; four drug chains added six stores; four shoe chains added seven stores; two candy chains, five units. Several other chains each added from one to four stores.

* * *

New Umbrellas

New umbrellas being featured for spring by a Toronto firm are made of oiled silk in smart design and in all the new colors to go with spring rainwear, says Stylewear Review.

These umbrellas are almost as light and transparent as Cellophane, and are claimed by the manufacturer to be quite as durable as that of the fabric usually used in covering umbrellas. Handles are of a transparent bakelite material, said to be practically unbreakable.

* * *

Rubber Prospects

London authorities are said to consider rubber in an unusually strong position due to (a) increased American consumption, (b) more effective control of native exports, (c) smaller speculative interest.

Conservative opinion in the London market, says Whaley-Eaton Service, is that the export quota should be increased five per cent to avoid the possibility of unwarranted price increases.

* * *

Potato Famine

A potato famine has been dangled before the eyes of eastern Canadian consumers recently.

One set of government estimates has been quoted to show less than a two months supply on hand. March 31 estimate of stocks in storage was 11.4 million cwt. compared with nearly 20 million a year ago. Consumers have been allowed to assume that the scant total mentioned was all available for use as food, but such is not the case.

More than a third of the existing tubers will be needed to plant Canada's normal acreage of over 500,000. Experience indicates, too, that in springs of high prices, farmers invariably increase their plantings.

But observers assure The Financial Post that while there may be a famine in old potatoes by June 1, on the other hand plenty of new stocks will then be available from United States. Indeed substantial importations are now under way.

March Shows Slight Drop In Business

But Conditions Generally Remain at High Level

DETAILED FIGURES

Business operations were at a relatively high level in March despite a slight recession from the preceding month. The records were somewhat affected by the occurrence of five Sundays. Comparisons with March, 1935, and with the first quarter of that year were decidedly favorable. The Financial Post index was 106.0 against 106.8 in February.

Among recessions in major economic factors was a slight decline in the wholesale price level, the official index receding from 72.5 to 72.4. Common stock prices, after having reached a new high point on the recovery in February, showed recession of 2.7 p.c. in March. A shadow was cast over the market by the political unsettlement in Europe.

It is also argued that the advance of the last 12 months has placed the common stock price average out of line with industrial prospects. A considerable decline was shown in speculative activity on the Canadian stock exchanges.

Other Financial Factors

The deposit liabilities of the banks showed recession at the first of March, owing to the decline in demand deposits. Linked with this recession was a further liquidation of current loans and an increase in notice deposits.

The constructive factor in the economic situation was the further advance in Dominion Government bond prices. A new high point was reached since the time of the war when such issues first became a feature in the Dominion market. The maximum points reached in Dominion Government bond prices and in the readily available assets of the banks indicate an easing of the credit situation. Financial operations indicate the banks are in a strong position to finance the expected revival of production.

Mining Declines

The index of mineral production based upon 9 factors was 158 in March against 186 in February, a decline of 15 p.c. Zinc exports showed a gain of 43½ p.c. and a slight gain was shown in silver shipments.

Copper and nickel exports, after seasonal adjustment, showed declines of 15 p.c. and 24 p.c., respectively. A decline in gold shipments from Canadian mines was nearly 15 p.c.

The manufacturing index at 98.7 showed a gain of 2.6 p.c. over 96.2 for February. A gain of 10 p.c. was shown in the operations of the foodstuffs group.

The gain in flour production in the last month for which statistics are available was 17 p.c., while the manufacture of sugar on the other hand, was at a very low level, a decline of 12½ p.c. being shown from February. Hog slaughterings were heavy, recording a gain of 6.6 p.c. The outward movement of cheese showed a spectacular gain, the index having been 102.3 against 33 in February. Canned salmon was also exported in large quantities. The imports of raw textiles for further manufacture were at a higher level, although slightly below that of February.

Newsprint Output Heavy

The paper and lumber industry scored in March with general gains. The output of newsprint at 243,900 tons was larger than in any other March. The exports of planks and boards indicating activity in the lumber industry recorded a further gain, the total of 142,000,000 feet being greater than in any other March since 1930. Gains were also shown in the exports of wood-pulp and shingles. The operations of the primary iron and steel industry receded a little, while a gain of 12.4 p.c. was shown in the output of automobiles. The imports of crude petroleum by the oil industry recorded a gain of nearly 14 p.c. Crude rubber imports and the manufacture of pneumatic casings recorded declines.

An adjusted gain of about 3 p.c. was shown in the award of construction contracts.

Imports and exports showed excellent gains over March of last year but were down somewhat from February after seasonal adjustment.

Hardware Merchants Ask Paint Standard

National Research Council at Ottawa has been asked to establish a standard classification of paints. The request comes from the hardware merchants section of the Montreal branch of Retail Dealers' Association of Canada.

Dealers contend that such action by the Council would destroy unfair competitive methods on the part of certain manufacturers and be a protection to the trade and the public.

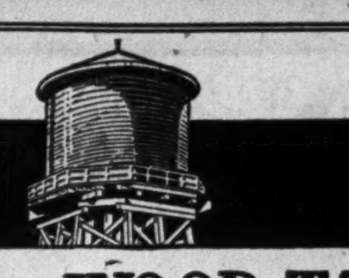
Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.25	$6.75	$8.10
Hogs	9.00	9.00	9.25
Copper, lb.	.09½	.09½	.09
Cotton, lb.	.1183	.1181	.1225
Rubber, lb.	.16	.1606	.1162
Sugar, raw, lb.	.0375	.0375	.0325
Silk, lb.	1.62	1.69	1.39
Wheat (Man.) bus.	.79⅝	.80½	.88½
Coffee, lb.	.06⅞	.06⅞	.07
Weekly Indices			
N. Y. Annalist	123.9	124.4	126.9
Fishers'	82.5	82.8	81.8
N. Y. Journal of Comm.	80.3	80.3	79.7
Crumps (Brit.)	67.5	68.3	63.7
U. S. Labor	79.2	79.3	79.2
Canada (D.B.S.)	72.2	72.0	72.7

Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Mar.)	80.5	80.4	78.8
W'sale (Mar.)	72.4	72.5	71.9
U. S. Labor (Feb.)	80.6	80.6	79.5
Gt. Brit. (Feb.)	76.7	77.2	71.8

Note: The base of indices is that 1926 equals 100. British index is Economist converted to 1929 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.



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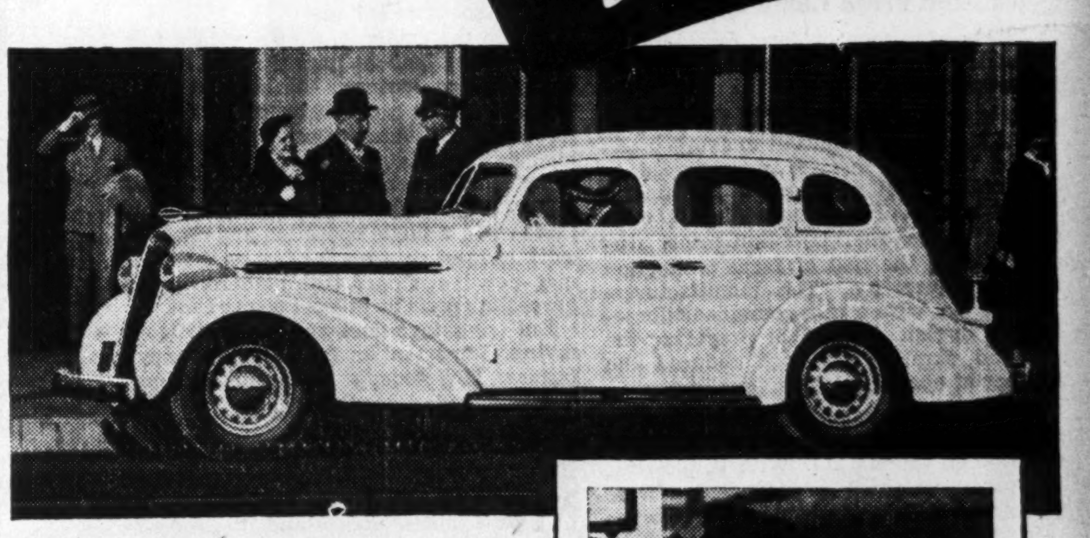

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SMART TO BE SEEN IN... SMARTER TO BUY

New Machines Revolutionize Farming Methods

In combatting drought and low prices farmers find it profitable even during depression to switch from older type implements to new cost-reducing and more efficient equipment.

MARQUIS WHEAT and the railroads notwithstanding, western Canada would still be Indian hunting ground were it not for modern farm implements.

The self-binder of 60 years ago opened the first grain growing districts of the Prairie Provinces. Improvements on that and other agricultural machines have continued to widen the belt of cultivation.

Modern tillage and harvesting machinery permits today's farmers to do the work of 30 men a century ago. Canada's present rural population is in the neighborhood of four millions. If these had to depend on the rake, sickle, flail, scythe and oxen of 1836, 30 times four million would be needed to equal present-day agricultural production.

But that is only half the story.

* * *

Opened the West

RURAL eastern Canada was not opened up on 80 cent wheat. The general trend of grain prices over the last hundred years has been steadily downward. In the 'thirties and 'forties of the last century, wheat prices seldom fell below $1.50, and money then had a very much higher purchasing power than it has today. Wheat had to be produced for well under the dollar mark if the Canadian West was to be opened.

Modern farm machinery permitted a relatively small Canada to expand from ocean to ocean, and to do it profitably. It allowed the farmer to make full use of Marquis wheat and other contributions of the scientific plant breeder. It made possible the industrial expansion which gradually followed the agricultural opening of the western plains.

Shielded from Peasantry

IT HAS done another thing — one that cannot be measured in dollars and cents. Yet it is probably the biggest contribution of all.

It has effectively shielded Canada's rural population from the stigma of peasantry. Such an epithet might apply to the stooping figures in Millet's Reapers and Gleaners, but it would not to the operator of a tractor-driven combine.

Back-bending hand labor that garnered the crop three generations ago has been largely eliminated. Now the farmer walks erect, or more likely, rides comfortably on some power operated machine. Literally he has been freed to make fuller use of his brain.

* * *

Depression Fresh Challenge

AND improvement in farm machinery is still going on. The depression brought a new challenge.

Faced with a sudden fall in the price of wheat, quickly transmitted to every product of the soil, farmers were forced to drastically curtail purchases of machinery. Dollar wheat disappeared. Values even dropped to less than half that price. Another cut in the cost of farm production became imperative. The manufacturers met the test with a new combined tillage-seeding implement that for preparing the soil and planting the seed reduced the number of operations from four to one.

Under various names, leading Canadian implement manufacturers put a brand new machine on the market. With it, plowing, harrowing, cultivating and seeding were performed with a single sweep across the field. Where formerly it literally required hundreds of miles of travel to prepare a quarter section (160 acres) and put in the seed, with the new implement operations have been reduced by 75 per cent.

With the four former implements in use, over 600 miles had to be covered up and down the rows. One round with the new machine or 150 miles is all that is necessary now.

* * *

Cheaper — Better

CAPITAL cost is also drastically reduced. Single implements to put in a crop of wheat require a total outlay of well over $700. The new combined machine, capable of doing even a better job, can be purchased for about half this amount.

Moreover, the new combination implement has been found more effective in handling a new situation which faced the western farmer at the beginning of the big depression. Hand-in-hand with sharply lower wheat prices came the hopelessness of drought. Land which for years had been giving continuous crops began to blow, and the fertility of vast areas was threatened. Excessive cultivation only accentuated the dangers of soil drifting.

The new implement does not pulverize the soil but works it into a rough uneven surface, the stubble mixing with the top soil to give a fibre and binding that successfully withstand soil-blowing. Fields so handled would "stay put" and raise a crop, very often, when land handled in the old way blew away.

Pay for Themselves

THESE machines have proved so economical that ever since their introduction during the depths of the depression sales have mounted every year.

In adopting such a course Canadian farmers have simply followed the same practice of those far-seeing industrialists who have found that another factor than depreciation governs the effective life of producing machinery. That factor is obsolescence. This makes it imperative to abandon an implement, even sometimes a fairly new one, once it has been demonstrated that a later device can substantially lower the cost of production or do the job otherwise more efficiently. This, the new combined implements, have demonstrated, particularly on the wide grain fields of western Canada.

One Job Harvesting

AND for the harvesting end of the business, the implement companies have offered the combine, another multiple unit implement that replaces several formerly individual and expensive operations. Just as the first practical binder ousted the bands of professional "cradlers," so three-quarters of a century later the combines made unnecessary harvesters' excursions. The end of a picturesque era, perhaps, but a very expensive one also.

Before the combine, a man with a half a section of land at harvest time had to hire perhaps a dozen stookers at daily wages up to $5 each. Later on he faced a threshing bill which in some years ran as high as 15 cents per bushel. That sort of thing could not endure with present wheat prices. The combine which cuts and threshes in a single operation and does the work at least six times as fast as the same man-power equipped with binders, has cut harvesting costs by at least 50 per cent.

But advantage does not end with labor saving. Important as the latter is, today's farmer, like today's successful business man, demands more than that.

* * *

Maintenance Costs Cut

MAINTENANCE costs must be low. Industrialists understand the importance of this point. One thing that they may not be as familiar with, however, is the vital imperativeness of the time element in agricultural operations. A contractor facing a heavy daily fine for every day his building remains unfinished after schedule, will readily understand the point.

With seeding and harvesting there are certain very definite seasons within which the work must be done. Very often a capricious nature only allows a few days in which maximum results are possible. Wheat sown at this time will often yield from 10 to 25 per cent more than if sown a week later. A modern combination tillage and seeding machine permits the owner to sow his whole farm before a neighbor with the individual implements of the old type has the field half ready. Again, with an early winter threatening the harvest, speed is often the difference between a profit and a heavy loss.

With the introduction of modern materials and modern lubrication in today's farm implements, not only can fuller advantage be taken of traction power, but wear and tear have been greatly reduced. Machine cut gears, running in a bath of oil, protected by dust-proof housing, are a far cry from the old cast iron affair exposed to dust and damp.

* * *

Save 75 Per Cent

ANNUAL upkeep on the pre-war binder was estimated at over $12, with no account taken of valuable time lost through break-downs. On the same implement of today, a saving of over 75 per cent has been effected.

Low pressure, heavy rubber tires on tractors are not only more comfortable for the rider and are permissible on hard roads, but in addition save dollars and cents in better traction, less wear and less fuel.

New cruising speeds for such tractors up to eight and nine miles per hour cut down the time in getting to the fields and speed up deliveries of tractor-hauled trains of grains to the elevator.

Like the modern automobile the modern tractor, too, makes better use of the fuels offered on today's market. Hand in hand with improvements in gears, lubrication and construction materials, has come increased efficiency from the money spent on the material that is poured into the fuel tank.

New Crops — New Machines

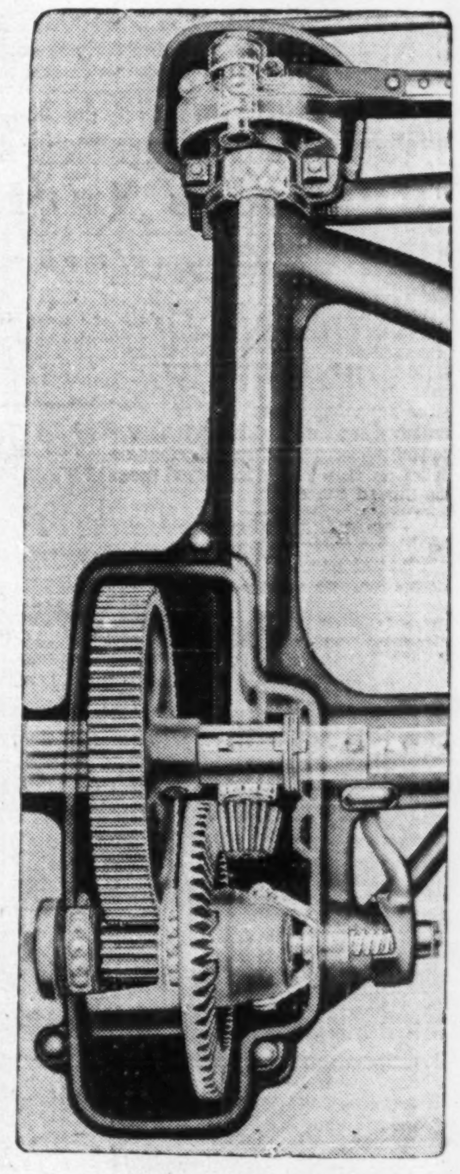
FINALLY, there is another point, often overlooked by the man who has been out of touch with the rapid transformation in Canadian agriculture in the last decade. Farming in this country is no longer the elemental industry of pre-war days. New lines such as fruit, tobacco, vegetables, sugar beets, onions and canning crops have been added steadily. For these the old time plow, harrow, binder and mower were not adapted.

New machines were called for and such the manufacturers have supplied. Special seeding, cultivating, spraying, fertilizing and harvesting apparatus has been designed, without which present scale production of new cash crops could not have been achieved. And with these new crops, has come new money into what were in many instances previously, sparsely settled districts where purchasing power was low.

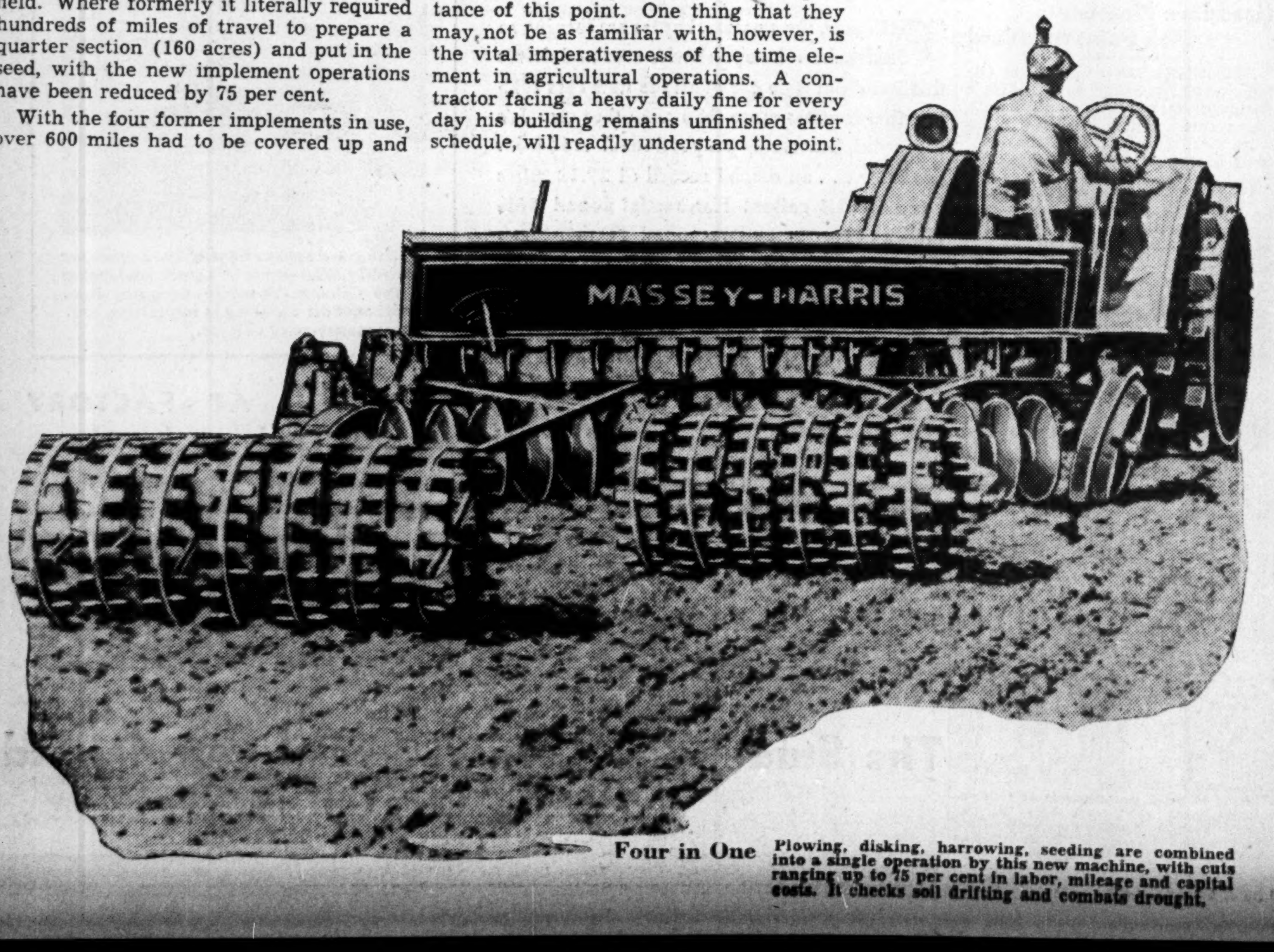
And so it goes right through the gamut of farm machines from the lowly hoe to the largest combined reaper-thresher. Nature has not increased the number of hands at a man's disposal, but the manufacturers of farm implements have and are continuing to increase mightily the amount of work possible with those same hands.

One-job Harvesting Back breaking stooking and dusty threshing has been replaced by a comfortable seat on a rubber-tired mounted tractor. These big combines cut and thresh in one operation, thus greatly reducing harvesting costs and minimizing weather hazards.

A Century Ago The cradle which made some pretence of gathering the grain in little heaps was considered a big advance over the scythe in agricultural implement circles of a century ago. But while there was no dearth of back-breaking toil, yields in proportion to the human energy consumed were scanty indeed.



Precision Machine cut gears, running on roller bearings in a bath of oil, are no longer the exclusive property of the modern automobile. Here is an x-ray of a mower drive introduced to Canadian agriculture last year.



Four in One Plowing, disking, harrowing, seeding are combined into a single operation by this new machine, with cuts ranging up to 75 per cent in labor, mileage and capital costs. It checks soil drifting and combats drought.

ONE of a series of articles indicating in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian industry.

These forward-looking firms and institutions are making possible this constructive series:

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Hudson's Bay Co.

I hold some preference shares of Hudson's Bay Co. on which no dividends have been paid for years. What are the prospects of a payment on these shares in the near future? Is it possible for the company to recover its former earnings?

You probably have noticed since writing your letter, that the Hudson's Bay Co. proposes to repay to preference shareholders on July 1 next, 30 shillings in respect of each £5 share, together with full arrears of dividends on this repaid capital for the six years to June 30, 1936. This will involve a total distribution of £600,000 from the capital reserve account and £139,500 in arrears of dividends. The arrears payment is equivalent to 6s. 11¾d. per share. Repayment to preference shareholders is made because the company believes itself to have more capital than it can usefully employ at present in the business.

Hudson's Bay Co. turned the corner three years ago, and has been making considerable progress ever since. The net profits for the year ended Jan. 31 last were £144,717, compared with £40,980 for the preceding year. This gives the company an earned surplus of £214,451 available for distribution. Recovery in the future will keep pace with affairs in Western Canada.

Dominion Bridge

What are the prospects for Dominion Bridge Co.?

Dominion Bridge stands to benefit from a period of active construction. Its earnings are now somewhat better than for some years. Its history is one of low profits or deficits in depressions, and large profits when all sorts of construction enterprises are under way.

Provincial Paper

Can you give me the capitalization and earnings position of Provincial Paper Co.?

Provincial Paper has outstanding $3.8 millions of 5½ per cent first mortgage bonds, $3.5 millions of 7 per cent cumulative preferred stock and 100,000 common shares. All the common is held by Abitibi Power & Paper Co.

Net profit for 1935 was $376,890, equivalent to $10.77 per share on the preferred stock. This compares with $10.22 in 1934 and $7.15 in 1933. The company has been a consistent earner for many years. The only uncertainty seen in the situation is the possibility of reduction of customs duties on fine paper imported from the United States.

P. Lyall & Sons

I would be obliged for any information you can give me on P. Lyall Construction Co. I bought 20 shares of common stock in January, 1929. They went into liquidation Sept. 18, 1929. Is there any report made by the liquidator?

Up to Dec. 9, 1935, the liquidator had declared dividends of 30 cents on the dollar to the unsecured creditors. Very little of the assets remain to be realized and there is no likelihood of the unsecured creditors being paid off in full. Consequently common stock of P. Lyall & Sons Construction Co. has no value whatever.

Simpsons Ltd.

I would appreciate a report on the financial position of Simpsons Ltd.

Simpsons Ltd. enjoys a strong working capital position, current assets exceeding current liabilities by $8.9 millions. It earned interest on its first mortgage bonds in 1935 after depreciation, and showed $466,712 available for the preferred dividends, equivalent to $4.15 a share. While the stock is entitled to $6.50 a share per annum, only $4 was paid. The full rate has not been paid since 1931. Nothing was paid in 1933 and 1932, and $2 was paid in 1934. The hope of a return to full dividends and of having something paid on arrears depends on the return of better times.

Can. & Dominion Sugar

Canada and Dominion Sugar common stock has been recommended to me as a good investment. I would appreciate some information on the company's capital structure and operations. What is the company's cash position? Is a record of the price range of the stock since 1929 obtainable? Has the company been affected by the Canada-U.S. trade treaty?

Canada and Dominion Sugar has no bonds or preferred stock, the capital consisting entirely of 500,000 common shares. The company's holdings of government bonds are worth over $9 millions, and the working capital, even after including unpaid 1936 dividends among current liabilities, is approximately $13 millions. The company declares the regular dividend of $1.50 a share a year in advance. In each of the last two years, "extras" of $1 a share have been paid.

The company is the largest marketer and refiner of sugar in Canada, handling about 45 per cent of the domestic business. Profits in 1935 were equivalent to $3.46 a share, compared with $4.37 in 1934 and $5.89 in 1933. Price-cutting in the rich central Ontario area was largely responsible for the reduction in 1935. Even under such conditions, however, Canada and Dominion Sugar appears to be well able to earn and pay its dividend of $1.50 a share and "extra" of $1 a share.

Apparently the company is not affected by the recent Canada-U.S. trade agreement. However, if the Canadian government were to eliminate or reduce dumping duties, Canadian sugar companies might suffer. The company's management and directorate are of high quality.

About a year ago the stock was selling at $65 a share. The current quotation is $58 to $59 a share. The stock is not listed, so that we cannot give accurate high and low quotations. The shares are closely held, and not actively traded.

Western Bonds

I hold some bonds of the four western provinces and Edmonton and Vancouver. In view of the situation that has developed I am wondering what to do. I don't feel like disposing of them at present prices. I would like your comments on the situation.

Unfortunately, you do not seem to have much choice but to retain the western municipal and provincial bonds you hold. The reason for this is that the recent default by Alberta, and the fear that British Columbia may default on May 15, have resulted in a sharp slump in price. Except for Manitoba bonds, and possibly the Saskatchewan securities, you would have difficulty in finding a satisfactory market for your bonds at the present time.

There is no precedent in Canadian government finance by which to judge just what may happen in the western provinces. In the case of Newfoundland's financial crisis, the island's bonds dropped to about 40, and quickly jumped to 100 when they were taken over and guaranteed at a reduced rate of interest by the United Kingdom. In the case of Australia's financial crisis, the government's bonds depreciated similarly to those of Newfoundland. As soon as the plan of rehabilitating the country's finances by reducing interest rates and wages and raising taxes was adopted, the bonds started their climb to 100. The case of the city of Windsor bonds, for which debt settlement is being completed, may also be a trustworthy guide. The city's bonds went down to around 40, or lower, but have since climbed to about 65, on the strength of the refinancing plan. It does seem that if these western governments are eventually forced by circumstances to balance their budgets, the outlook for bondholders should be improved.

Ford of Canada

Is there any prospect of Ford of Canada paying a dividend in the near future?

Ford of Canada could pay another dividend from 1935 earnings. The statement which was issued a week ago indicates an operating loss, but investment income was large enough to absorb the loss and cover payment of 50 cents a share with a good margin. Delay in paying dividends is explained as due to uncertainty over possible tariff changes, so that there is no immediate prospect for payment.

McColl-Frontenac

Would you be good enough to let me know whether McColl-Frontenac Oil Co. 6 per cent first mortgage bonds are callable at any date before 1949?

McColl-Frontenac first mortgage bonds are callable on 60 days notice at 104. The company now has in mind a plan for increasing the authorized common stock to 2,500,000 shares. It is proposed to issue the additional shares from time to time to the shareholders and with the proceeds buy in the bonds and preferred stock so that eventually the company will only have one class of security outstanding, namely, common stock.

Brazilian Traction

What are the future prospects of Brazilian Traction, Light & Power Co.?

The prospects of Brazilian Traction are not particularly bright at the moment as far as shareholders are concerned. The company continues to report excellent internal earnings, but there is no way of getting the funds out of the country in sufficient quantities to maintain dividends on a reasonably permanent basis.

Until Brazil's foreign exchange is on a stable basis and funds can be exported and imported freely, the position of Brazilian Traction common stock is not very attractive. The company also is in the position that it has to negotiate very important rate contracts for many of its subsidiaries. Formerly it was able to charge on a gold basis. That is, as the Brazilian exchange depreciated, it could bill consumers on the basis of the value of the Brazilian milreis in the currency of a country on gold basis. President Vargas ended that, and hence the company has been trying to arrange new rates.

Saskatoon Bonds

Do you think there is a danger of Saskatoon defaulting on its bonds?

Saskatoon, like other western cities, has been hurt by adverse crop conditions and low prices for farm products. Provided good crops are reaped in the area, and reasonably good prices obtained, the city should be able to pull through with the help of its sinking fund of $6 millions. The debt, after deducting sinking fund, was $10 millions last year. There were $1.5 million of bank loans, $1 million of other liabilities and $150,000 of sinking fund arrears.

Saskatoon businessmen have been anxious to rehabilitate the city's finances. Last year they backed a tax collection campaign with considerable success. So far there has been little indication of any of the unwillingness to pay that has characterized some Canadian municipalities. Another protection for investors is the Saskatchewan Local Government Board which has gained a reputation for fairness to creditors. In view of unsettlement of western government finances, Saskatoon bonds can be expected to sell at low levels, but to date there is no indication of a danger of default.

Montreal Power

As a subscriber to The Financial Post, would it be possible for you to let me have a general opinion on the bonds of Montreal Light, Heat and Power?

During recent months Montreal Light, Heat and Power has effected major changes in its funded debt. All of the old funded debt was retired and replaced with a new issue carrying a lower coupon, while the principal outstanding was cut down to only $15 millions. There is a substantial equity back of the bonds, while interest charges are earned several times over. Securities of this company have been regarded very highly as investment media for many years and the recent refinancing has tended to further strengthen this view.

Simon and Sons

Will you please let me have a report on Simon & Sons Ltd., Montreal manufacturers of cigars, especially in regard to earning power on the capital stock?

Simons & Sons Ltd., engage in a luxury trade, namely, the manufacture and sale of cigars. During the depression years, earnings dropped off and dividends on the preferred were deferred Dec. 1, 1932, and resumed March 1, 1934. Since that time the company has paid the regular dividend and, in addition cleaned up arrears. The best record of earnings of the company is to be seen in the amount available on common stock: In 1929 the company earned $4.56 on the junior issue; in 1930, $2.51; in 1931, 13 cents. In 1932 there were no earnings available for either the preferred or common, while in 1933 the company earned $5.40 on the preferred as against dividend requirements of $7. In 1934 earnings on the preferred amounted to $10.05 and 4 cents a share on the common, while last year earnings on the preferred totalled $7.95 and 10 cents a share on the common.

Deer Park Manor Paying Coupon

Coupon due June 1, 1935, on 7 per cent first mortgage bonds of Deer Park Manor, Toronto, is payable on or after May 1, 1936.

There was a little improvement in revenue in 1935, funds available for interest being $8,233, compared with $7,859 in 1934. Stewart, Scully Co., who underwrote the bonds, state the company requires a further increase of gross rentals of about 12 per cent, before interest payments can be met regularly. A full year's interest on the bonds amounts to $10,080.

Vacancies of apartments in 1935 averaged only 3 per cent.

Security Analysis

Canadian Hydro

Market Value of First Preferred Appears Unduly Deflated Considering Prospects Under New Ontario Hydro Contracts

From Our Own Correspondent

MONTREAL. — Canadian Hydro-Electric Corp. first preferred stock at current levels is out of line, judged by the commonly accepted investment ratings. This company controls Gatineau Power Co., the earning power of which has been severely handicapped by the readjustment of contracts with Ontario Hydro. Under the revised agreements the life of contracts is reduced to 10 years; minimum annual revenue cut to $2,433,000, or about $2 million less than received under the old contracts; while under maximum deliveries revenue from Hydro would still be $700,000 less than that received for delivery of the same quantity of energy under the old contracts.

In view of this situation directors of Canadian Hydro have deferred dividends on the first preferred. The decision also was influenced by the fact that at the end of last year Gatineau had outstanding over $17 million of 6 per cent debentures which mature in 1941.

Points to Consider

In considering Canadian Hydro first preferred four points stand out:

First, there is no dividend, nor is there likely to be any declaration until the situation has stabilized. Therefore the stock is of no particular interest to the investor looking for income. It is of definite interest, however, to the investor who seeks a return on his capital in the way of appreciation.

Demand for Power

The second consideration is the apparent weakness of the Ontario Hydro contracts. Ten years is a relatively short time for a contract of such size. Loss of this business naturally would put a serious crimp in the activities of Gatineau Power. The problem in considering the long term possibilities is whether or not these contracts will be renewed at the end of the decade. The best engineering opinion is that Ontario Hydro will need all the power it has contracted for by 1946; in fact, Hydro may need it long before that time. There is almost an absolute assurance that Hydro will continue to take the power from Gatineau after the expiration of the present contracts.

The third point has to do with the refunding or redemption of Gatineau 6 per cent debentures by 1941. Under present circumstances, the company would have considerable difficulty in refunding these issues. But anticipated higher earnings under Hydro contracts, without regard to revenue from other sources, and the assurance that the contracts will be renewed, do not make the possibility of refunding a serious one.

Further it should be considered that as long as the dividend on Canadian Hydro's first preferred is omitted, the company will be able to build up a substantial reserve through surplus earnings to take care, in part, of the debenture redemption in 1941.

See Substantial Earnings

The last point, and a most important one, is the trend of earnings over the next 10 years. Last year Canadian Hydro had a revenue of $9,349,111, of which $4,555,276 was derived from Ontario Hydro. On this basis the company earned $26.23 a share on the first preferred before depreciation and debt discount; $21 a share after depreciation; and $18.20 a share after all charges. This is in contrast to dividend requirements of $6 a share.

For the current year Canadian Hydro will have the benefit of revenue from deliveries in the first four months of an additional 100,000 h.p. to Ontario Hydro, over and above contracts. At $12.50 a horsepower, the new rate, the company will receive $416,666 for this power. Allowing for deliveries during the year on the minimum basis, revenue from Hydro will total $2,433,000, making an aggregate of $2,849,666. On the assumption that revenues from other sources and expenses remain the same as in 1935, Canadian Hydro will be able to show earnings in 1936 of $7.75 a share on the first preferred before debt discount and $4.93 a share after all charges. This is after taking into account a depreciation reserve of $5.23 a share.

Wide Dividend Coverage

Ontario Hydro's contracts with Gatineau calls for a maximum delivery of 260,000 of 25-cycle power and 60,000 h.p. of 60-cycle power. It is estimated that when firm power deliveries of 25 cycle power reach 150,000 h.p., the 25-cycle power reserve at 110,000 h.p., and 60-cycle firm power deliveries at 60,000 h.p., Canadian Hydro will have sufficient revenue to more than cover the dividend on the first preferred stock after all prior charges.

Carrying this calculation further, revenue from Ontario Hydro's contracts under maximum deliveries, and allowing for no increase in revenue from other sources and with expenses at the same level as reported in 1935, will enable Canadian Hydro to show $16.50 a share on the first preferred stock before debt discount and $13.70 a share after all charges.

Beet Sugar Refinery

A new beet sugar refinery now being erected in Alberta at the cost of over $1.5 millions, will be the finest of its kind in the world, it is reported.

The Woman Investor

Premium Bonds

HOLDER of $5,600 in Ontario provincial bonds which mature May 1, a woman subscriber to The Financial Post faces the problem of re-investing the money in high grade securities, and at the same time obtaining the highest yield commensurate with safety.

Her bonds are 6 per cent, issued 15 years ago. Investment conditions since 1921 have changed, however, and present an entirely new picture. Among the possibilities she has already considered are: a new issue of Ontario bonds, or Dominion long term issues.

Part of the debt the province is paying off in the present maturity was originally incurred on behalf of the Ontario Hydro Electric Power Commission, but neither Ontario or Hydro bonds guaranteed by the province may be available at the time the woman receives her $5,600, although such issues are a possibility later in the year.

Meanwhile, if long term Ontario or Dominion government bonds are purchased the best yield would be about 3¼ to 3¾ per cent. A higher return is possible in the case of western provincials but there conditions within the provinces themselves do not inspire complete confidence and until fluctuating financial conditions are stabilized to a greater extent in the west the western provincial issues cannot be regarded as entirely suitable for the average woman investor.

Capital Depletion

THE answer to a re-investment problem of this character appears to be in the purchase of ten or fifteen-year bonds, of Ontario or the Dominion, rather than western issues with a higher yield.

Probably the best type for women investors is a bond carrying 3 to 3½ per cent coupons, since purchase of bonds carrying, for example, a 4½ per cent coupon at a premium of perhaps 10 per cent usually means depletion of the investor's capital. Few private investors apply part of the interest income to writing off the premium paid over face value.

In effect, if all the income on a premium bond is spent by the holder, she is living to some extent on her principal.

If, however, this woman wants to buy long-term Dominion bonds, her choice might well be the three per cent issue due June 1, 1955. If an Ontario bond, the long term four per cent issue maturing June 1, 1962, on which the premium is about five points might be suitable, if the premium factor is considered.

The premium on the Ontario long term bond is offset to some extent by the fact that the issue is payable in either Canadian or U. S. funds, or sterling. But as in the case of all premium bonds, the woman investor should make allowance for the premium cost as against her interest income, and the accompanying possible depletion of her capital.

Steel of Canada Sales Maintained

Satisfactory Returns in First Quarter — Complete Extension

From Our Own Correspondent

MONTREAL.—Sales of the Steel Co. of Canada for the first quarter of the current year have increased compared with the same period of 1935, according to a statement made by Ross H. McMaster, president, at the annual meeting of shareholders. Due to the lower margin between cost and selling price, profits realized, although somewhat higher for the quarter than those of the previous year, did not increase proportionately with sales.

The demand for most lines, according to Mr. McMaster, although unevenly distributed, continues at a very fair rate, having regard to general conditions, and the aggregate tonnage has supported ingot production as related to capacity on a satisfactory basis.

Extend Sheet Mill Plant

In discussing general development work, Mr. McMaster told the shareholders that extensions to the sheet mill plant have been completed since the first of the year. These embrace the mechanization of practically all mills, bringing the plant up to date so far as the character of the Canadian demand will permit.

Regarding plans for manufacture of tinplate, Mr. McMaster told the shareholders that the important investment required to establish production on an adequate basis is not encouraged by the free entry of tinplate from Great Britain. However, in order to protect the company's position, as the natural producer of such Canadian needs by reason of location immediately adjacent to the principal points of consumption, the shareholders were told that "we may have to proceed with our plans earlier than was at first anticipated."

Tells of Finances

Statements of debts and of revenues and expenditures of federal and provincial governments, corrected to April, 1936, appear in a new booklet issued by McLeod, Young, Weir & Co., Toronto investment firm.

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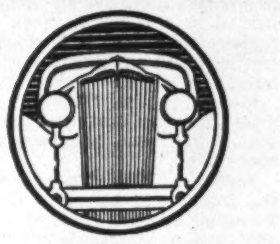
6 reasons why you should consider a PACKARD 120



TODAY, more than ever before, there are several important factors to consider *before you buy any new car*. Packard believes the six points listed below will make you a better judge of values, regardless of what new car you may have in mind.

1 Packard 120 gives you everything Packard stands for—for as little as $1454.

The Packard 120 is a *real* Packard in mechanical excellence, in the precision of its parts, in long life, and in performance. It carries the most honored name in motoring. Yet it sells for only a few hundred dollars more than the cheapest cars made.

2 Packard 120 upkeep and service costs are low

The Packard 120 is probably the most service-free car in America. And such service as you *do* need is inexpensive. For example, a Packard 120 dealer recently kept records of all maintenance charges on 71 Packard 120's while they travelled a total of 450,000 miles—*and found the average cost per owner was less than three dollars.*

3 Packard 120 lessens the penalty of style depreciation

Before you buy any new car this Spring, ask yourself this important question: "How long will it be before this car is out of style?"

This question is important because loss of style means loss of identity and identity destroying style changes are the biggest cause of motor car depreciation. If you buy a Packard 120, you are protected against such loss, for you are buying a car made by a Company that has for 30 years held to a policy of protecting its owners against needless style depreciation. Because Packard adheres to one basically beautiful design, *a Packard 120 stays a smart car, not just for months, but for years.* Years hence, it will still be recognizable as a Packard, still be a car you are proud to own and drive.

4 Packard 120 can be purchased almost as easily as one of the lowest-priced cars

A recent survey conducted in several cities revealed that down payments made by Packard 120 buyers averaged *only* $130. after allowance had been made for their used cars. If your old car is of more-than-average value, *you will probably have to make no down payment at all.*

5 Packard 120 can be financed for only a few dollars more a month

Packard's 7 per cent finance plan is second to none for liberality. And because the payments on a Packard 120 can be spread over a period to suit your convenience, the car can easily be purchased out of income.

6 Packard 120 has scored an unprecedented success

The Packard 120 has climbed from scratch to second place in a price class which includes twelve cars. And remember—this car entered a brand new price-field for Packard. Such success could never have been achieved had not the car delighted every one who saw it and rode in it.

This Spring when you set out to buy a car, *match Packard 120 against the field.* Do this, and we leave it to you whether or not you become "the man that owns one."

PACKARD 120 . . . $1454 TO $1635 F.O.B. Windsor including stock accessory group and taxes.

ASKS THE MAN WHO OWNS ONE

John Joseph Seitz—Pioneer

Born in Log Hut, Wolf Trapper, Telegrapher and Founder of Largest Typewriter Company in Canada is Self-taught, Self-made Canadian

Self-reliant, self-made John Joseph Seitz, founder and president of the United Typewriter Co. Ltd., is a pioneer of business.

He inherited the spirit of a pioneer and, with that as his only asset, rose to a commanding position in the business life of Canada. This week, 600 employees, business associates, friends and notables paid him an unique tribute in celebration of the fortieth anniversary of the introduction of the Underwood typewriter in Canada.

John Joseph Seitz was Canada's first telegrapher to use a typewriter in transcribing the dots and dashes of Morse code to paper. It was his own idea.

He was born a pioneer—in a log hut miles from other human habitation—while his mother was alone and unaided, his father stormbound far from the home in a raging blizzard. That was in 1862, in Formosa, Bruce County, Ontario. His parents were pioneer Canadians from Alsace-Lorraine.

Wolves For Fur

In bed at night young Seitz could hear wolves crashing into the trench his father and he had dug near the house. Every year they dug a wide, deep trench in front of the house and covered it over with branches in which they trapped wolves for fur.

As a boy roughing it with his parents in the bush, J. J. Seitz did not for some years go to school at all—for the adequate reason that there was no school to which he could go. When a cobbler who had children began to teach his own youngsters, J. J. Seitz went to him for lessons, but at 13 he left this primitive school and went into a harness shop.

Still in the harness shop and still 13, an advertisement for a five-dollar telegraphy set kindled his imagination and he sent for it. Three years later the first telegraph lines were being strung through the district. The boy telegrapher got the job of telegraph operator in Formosa.

First Typist-Telegrapher

A little later, in 1879, still in his 'teens, J. J. Seitz moved to Hamilton and there began to use a typewriter for the first time—taking the messages in Morse and transcribing them on one of the new typewriting machines—the first person in Canada to transcribe telegraphic messages on a typewriter.

At this time typewriters were not used in business offices. J. J. Seitz saw the possibilities of the new typing machine, and when he heard that a company manufacturing them was going to open in Canada he applied for a position with it and again got the job.

A shrewd, commonsense honesty was fundamental in the youth's character. On a trip to Toronto a book-agent came through the train selling lurid "Diamond-Dick" novels at 50 cents each. The agent held the books so near the young traveller's face that he could see the corner of a dollar bill projecting from one of them.

Yet he insisted he would not buy. The agent laughed, opened the book, and showed the corner clipped from a dollar bill and pasted to a page.

$2.50 a Month Raise

Working in Hamilton, employed by the Great Northwestern, Mr. Seitz walked two miles every morning to the office to test the lines, then back two miles to get breakfast. Another two miles and he was at the office again when it opened at eight o'clock. About this time, because of his initiative in purchasing a typewriter at his own expense, and using it regularly to transcribe messages, his salary was raised $2.50 a month.

In 1896 he gave up telegraphy, and secured the agency for the Jewett typewriter, opening an office in Toronto. The suggestion is reported to have been made by his main competitor that he leave town "because there was only room in this small city for one typewriter company and they were it." He ignored the advice.

Underwood Agency

In 1898 Mr. Seitz secured the agency for Underwood in Canada. Selling typewriters was uphill work because business men were prejudiced against these "new fangled machines," preferring to use pen and ink and to receive handwritten letters.

One letter was known to be returned by a client with the comment: "You do not need to print letters for me, I can read writing."

Early in the present century Mr. Seitz revealed extraordinary foresight in lining up schools and business colleges to use Underwoods, and in training typists to be champions on Underwood typewriters.

Today 90 per cent of the typewriters in schools are Underwoods. In all Canada, 7 out of 10 typewriters are Underwoods. There are 21 Underwood branches in Canada and 500 employees. The Underwood employment office, since its organization 10 years ago, has placed in employment over 500,000 women and girls.

Mr. Seitz is the father of six children—3 boys and 3 girls. One of the boys is Ernest Seitz, internationally distinguished concert pianist. W. Seitz is president of the Peerless Carbon Paper and Ribbon Co.; and J. L. Seitz is vice-president of the Underwood Elliott Fisher Co.

J. J. Seitz, himself, is president of the Underwood Elliott Fisher Co., president of A. D. Gorrie, one of Canada's largest motor car dealers, and vice-president of the Premier Trust Co.

Honoring the Founder

Celebrating the fortieth anniversary of the founding of the Underwood typewriter in Canada, employees of Underwood Elliott Fisher Ltd. this week tendered their president, J. J. Seitz, a complimentary dinner in Toronto.

With over 600 guests in attendance, the celebration was the largest function in the history of the company. Speakers paying tribute to Mr. Seitz's record were: Mayor McBride, of Toronto; Frank Matthews, president of the Toronto Board of Trade; Elwood Hughes, general manager of the Canadian National Exhibition; N. S. Ayler, vice-president of Underwood Elliott Fisher Co. of New York City, and Senator Frank P. O'Connor, president of Laura Secord Candy Shops Ltd.

Among the head table guests were: R. S. McLaughlin, George Wilson, Colonel H. R. Alley, B. K. Sandwell, Floyd S. Chalmers, R. A. Stapells, S. H. Logan, R. Shaw, F. D. Lehn of New York, J. L. Seitz, W. Seitz and the managers of all the Ontario and Quebec branches.

Asterisks and Periods In a Business Success

Here are the highlights of an outstanding Canadian business success, under the guiding hand of J. J. Seitz.

1896—Opened small office in Toronto, known as Creelman Brothers Typewriter Co. Rental, $33.33 per month. Payroll, $17 per week.

1898—Acquired Canadian selling rights for the Underwood Typewriter from John Underwood, New York City. Contract called for the minimum sale of fifteen typewriters per month.

1900—Outgrew headquarters; rented three floors of a five story building in Toronto.

1901—Sales to business college doubled volume.

1902—Charter granted to operate company under the name of United Typewriter Co., Ltd.

1906—Organized employment department; provided stenographic service free of charge.

1907—Trained Fred Jarrett, Canadian champion speed typist.

1915—Acquired Canadian selling rights for the Dalton Adding Machine.

1917—Sold first Underwood bookkeeping machine in Canada.

1920—Outgrew premises on Victoria Street, Toronto. Stationery and printing department moved to larger quarters.

1921—Sold first Underwood portable typewriter in Canada.

1925—Established school for speed operators. Trained Miss Irma Wright to win world's amateur championship.

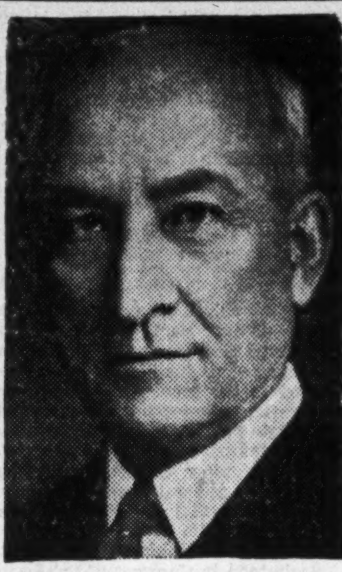
1927—Joined consolidation of Underwood Elliott Fisher Co., New York City, U.S.A.

1929—Sales volume reached $3 millions.

1932—Established organization to sell Sundstrand Adding Machines, Sundstrand and Elliott Fisher Accounting Machines, along with Underwood products.

1933—Established special factory to manufacture Underwood Typewriters for export to England, Australia, South Africa, Port of Spain, Trinidad, Ceylon, and Fiji Islands.

1936—514 employees; monthly payroll $85,000.



J. J. SEITZ

Edward Stamps Unlikely For About 9 Months

Postal authorities so far have given no indication when the new King Edward VIII postage stamps will be placed on sale, says Bookseller and Stationer, but philatelists expect another nine months or a year will elapse before the new issues are in circulation. Before any change is made, it will be necessary to use up the vast quantities of current issues now on hand.

With the entire British Empire, with the probable exception of the Irish Free State, scheduled to print King Edward stamps, appearance of the first of the new issues should mean a boom in the sale of philatelic supplies. Not only will the older collectors require additional equipment to handle the new stamps, but if past history is to be repeated, the Edwardian issues will see increased interest in philately.

Business Bureau Fights Bucket Shop

Montreal Unit Successfully Combats Unscrupulous Dealers

From Our Own Correspondent

MONTREAL. — The Better Business Bureau of Montreal continues to make headway in its fight against "bucket shop" operations, according to the annual report of R. H. Neilson, general manager. While fewer new firms of questionable backing started in Montreal during 1935, there were several regarding whose operations the Bureau supplied the authorities with information.

One of these, says Mr. Neilson, was the Empire Trust Co., an old-established company, but which had allowed the management of one of its departments to get into the hands of outsiders who converted it into a "bucket shop." The results of the Bureau's investigations were promptly brought to the attention of the Attorney-General who secured an injunction which minimized the losses to those who had trusted in the company's name, and unquestionably saved many other individuals from loss. This company is now in process of liquidation.

Case of Chartered Loan

Another case was that of the Chartered Loan and Finance Co., the principal of which was a recent arrival in Canada, and as to whose previous prison record the Bureau was able to convince the authorities. The result was that in this case also, an injunction was obtained in the Superior Court and the man left Canada hurriedly. His business is also being wound up, but unfortunately during his stay in Montreal he victimized a good many people, principally women, though the loss would undoubtedly have been much greater had his varied activities been permitted to continue.

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Canadian Terminals Conceals Its Affairs

Shareholder Complains Bitterly About Treatment — Also Blames The Financial Post for Not Affording Guidance — But Read the Record

Re Canadian Terminals Systems. Several years ago several of my clients purchased bonds and common stock in this company as a result of representations made. As I happen to have purchased $2,000 myself I can vouch for the fact that they showed representations in writing that this was a trusty investment, etc., which I have afterwards found to be a mistake.

In the meantime I took the matter up with the Attorney-General's office but before the Ontario Department could take charge of matters the company shifted their head office to Montreal.

It must be about five years now since I and my clients purchased these bonds and stock and I have never had a financial statement, dividend or an explanation.

The company has not gone into bankruptcy but by some form of manipulation and the calling of a meeting in Quebec, when the majority of the shareholders reside in Ontario, the small salaried clique who have been getting a living out of this for the past few years have practically had a free hand.

Wrong Again

A few years ago I drew this to the attention of The Financial Post but apparently the solicitor and the guiding genius of these Terminal vulgars outbluffed or outtalked your inspector. The result is nothing has been done since in the way of compelling these men to turn over the assets of the company or refund the money they collected, etc.

In the last five years they have had an opportunity of putting on profits and piling up additional liabilities and they have not even so much as spent a postage stamp on acquainting the shareholders as to the actual result of each years' operations.

If your paper pretends to be a protector of the public and investors generally I think it is really time that this matter was thoroughly aired and would suggest that you do not accept the statements given you by salaried officers of the company without checking them over with me or some other bond holder.

Told Whole Known Story

In the issue of November 16, 1935, the whole story was given of the operations of Canadian Terminal Investments and the tragic consequences of various flotations to invested savings of hundreds of Canadians. In that issue, and in many other issues, for five years before that, The Financial Post spoke from time to time of the unsatisfactory nature of the prospectuses issued for the various issues of Canadian Terminal Systems. It did not wait until the company reorganized and went to Montreal before expressing its views of the generally spectacular nature of the company's operations. If you had been a subscriber during that time and had read the various answers to investment queries it is probable you would not have made the investment you did.

Failed to Make Good

From the beginning Canadian Terminal Systems was simply a holding company device by which T. A. Neely sold to the general public bonds, debentures and stocks of parent company and of subsidiaries to a total of many millions of dollars. With little investment of his own he was able to control large public terminals created with this public money as well as bakeries and department stores, mortgage, housing and other companies. Nearly every company thus formed failed to make good without reorganizations or bankruptcies or receiverships.

Canadian Terminals Systems, Ltd., with its head office at Montreal, is a Dominion company which was organized to take over the assets of the Toronto company. The new company was formed as a result of reorganization plans approved by bondholders and debenture holders of the old company at a meeting on June 29, 1931. The new company issued 20-year, 6 per cent first mortgage income bonds to an amount sufficient to take up par for par outstanding bonds and debentures of the old company. It also issued 5-year, 6 per cent debentures for unpaid interest to June 1, 1931. As these debentures are for a period ending June 1, 1936, it may be that the whole matter can be reviewed by holders at that time if they desire it. At the time of the reorganization, old bond and debenture holders agreed to release from the charge under the old funded debt $150,000 for working capital.

Financial Post Guidance

The following excerpts from opinions expressed by The Financial Post show that The Post felt the securities to be very speculative from the beginning though giving the new enterprise fair play in the early stages:

February 1, 1929: "The actual value of common stock of Canadian Terminals Systems is not much at this time; but if the company becomes established, as is possible, it may eventually be that the common stock of the company will be valuable."

February 22, 1929: "We would not advise selling stock of these securities (Barcelona, Brazilian, Consumers Gas, Nickel, International Pete, Noranda and Quebec Power) to invest in Canadian Terminal Systems. It is a common stock paying no dividend. We regard it as a long hold speculation."

May 3, 1929: "Common shares of this company, now offered at $35 a share, are not at this time of any great market value. They are only a potential asset, valuable if and when the constituent companies earn a sufficient amount. We would not class common stock as an investment until Canadian Terminal Systems has a record of satisfactory earnings over a term of years."

July 18, 1929: "The 6 per cent sinking fund bonds of Canadian Terminal Systems do not rank particularly high in our opinion."

July 25, 1929: "The securities of this company are not deserving of a very high rank at this time. The company is a new one, and most of the enterprises in which it is interested are as yet only in the promotion stage. These bonds are not easily marketed."

No Real Assets

November 7, 1929: "We are unable to see that there are any real assets behind this common stock at the present time, and it is doubtful if earnings will amount to much for a number of years."

March 20, 1930: "We do not consider Canadian Terminal Systems a good investment, nor even a good speculation."

March 6, 1930: "In our opinion the stocks and bonds of Canadian Terminal Systems Limited are both unattractive speculations."

June 19, 1930: "We feel that this issue of 20-year, 6 per cent convertible mortgage sinking fund gold bonds of Canadian Terminal Systems should be supported by most definite information as to consolidated earnings, net estimates, and earnings of the principal subsidiaries as well. There is lots of information, plenty of talk about prospects, but the exact kind of financial data wanted is not yet available to the public."

Badly Treated

July 17, 1930: "As Canadian Terminals Ltd., does not publish a financial statement, it is difficult to tell just what position it is in."

August 14, 1930: Referring to the $12.5 millions of 20-year collateral trust six per cent bonds, series AB, "There is not enough information available with regard to earnings of the various subsidiaries of the Canadian Terminal Systems for one to be able to say that the safety of these bonds is beyond question."

After Canadian Terminal Systems went into default on its own bonds and debentures early in 1931, and the bondholders and debenture holders agreed to the formation of a company with the same name, The Financial Post continued from time to time to seek available information. It published what it could get but security holders apparently agreed to the present situation.

The Financial Post is willing to co-operate with any effort which bondholders themselves make to secure the information they should have. There is no doubt they have been badly treated in that they have secured no more information than shown above.

London Favors Extension Of Copper Agreement

Regarding copper, Whaley-Eaton Service reports that extension of the copper restriction agreement for another year involving curtailment of 240,000 tons annually or 30 per cent of the chief producing countries output (outside the United States, Russia and Japan), is regarded in London as an essential factor in the improvement of the copper position.

There is no doubt, it is said, in London, that the United States will faithfully observe the gentlemen's agreement under which copper exports will be limited, particularly as it is noted that domestic demand in the United States for the metal is increasing.

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What Price Dictatorships?

Candid Book on Brazil Says 37 Years of Absolutism Work Out Badly for Investors and Citizens Alike

What price dictatorship?

From a very candid book on Brazil just published (His Majesty the President. By Ernest Hambroch. Methuen's, London; S. J. R. Saunders, distributors for Canada, Toronto) one gathers that dictatorships have terrors for all foreign capital as well as for the citizens who permit them.

Most Canadians who have invested in shares of Brazilian Traction Light, Heat & Power Co. or in federal, state and municipal bonds of Brazil, have relied in the days of depression on the formidable natural resources of Brazil bringing it back to prosperity to the ultimate benefit of investors who have faith and courage. But Ernest Hambroch, this Englishman who has had decades of experience in the British consular service in Brazil and elsewhere, and who has been on various official and semi-official commissions, missions and conferences about Brazil's commercial affairs, says things will never be right with Brazil until it throws dictators into the discard and returns to parliamentary government. Its troubles are political but this affects all its economic interests.

Prophesies Real Revolution

One former Brazilian tells The Financial Post this is the only reliable and entirely truthful book about Brazil he has read. He adds if he still retained any of his former interests in Brazil he would not dare to express this opinion. He agrees with Mr. Hambroch that the name "republic" and all the talk about "glorious liberty" in Latin-American republics are simply camouflage for dictatorships which are ruinous to the interests of the people in the long run. Both have high words of praise for Brazilians and other South Americans as peoples. They say the trouble is they are misrepresented and exploited under present dictatorial forms of government. Mr. Hambroch goes further and says that dictatorships in Brazil and elsewhere have done the least good when apparently they were most successful. He means that under the spur of reckless borrowing and other arrangements great public works were undertaken and completed in extravagant fashion. That gave a spurious prosperity for a time.

More than half the revenue is needed for military and naval expenditures under this system. Taxation is terrible, and he prophesies that some day there will be a real revolution.

Bad Administration

Mr. Hambroch cannot agree with those who say that Brazil is suffering only from the aftermath of the great war.

"Increased taxation and financial difficulties in Brazil are to be ascribed solely to bad financial administration, to lack of probity or ability in her public men, ignorance or unpatriotic contempt of even the rudimentary principles of political economy, silly experimentation in public finance, government meddling (usually for interested motives) with trade, reckless borrowing from abroad, and—above all—to a political regime which has had the inevitable result of excluding the best talent and the most upright characters from Brazilian public life.

"Among all its other pernicious effects, that regime has entailed the expenditure of vast sums of the Brazilian taxpayer's money in order to keep interested parties in office, called maintaining the principle of authority; in order to try and get other equally interested parties into office, called endeavoring to enforce the sacred principles of the constitution; and in order to pay for damage done, and for the illicit profits made when the two parties eventually came to blows, which is called making or crushing a revolution (as the case may be)."

Revolutions Costly

Most foreigners are greatly impressed by the formidable natural resources of Brazil. They therefore believe it has great recuperative powers. But Mr. Hambroch says the costly political disturbances and expensive revolutionary outbreaks would tax the resources of any nation, however strong and healthy.

Brazil would probably have felt the influences of the depression as have other countries but "she would have been in a very different position today if she had not burdened herself during the last decade with about £150 millions of perfectly useless expenditure on revolutions, which achieved least when they were apparently most successful." It is the custom for both sides, says Mr. Hambroch, to finance both revolutions and rebellions from public funds. The rebel or revolutionist raids the nearest available public treasuries and calls it "requisitioning." It is rare for such a leader, whether he fails or not, to end a rebellion or revolution poorer than when he began it.

Under the old monarchist system which came to an end in 1889, there was real parliamentary government in Brazil. There were disturbances and even violent outbreaks but there was rigid honesty in the administration of public funds. Brazil has as large a proportion of honest men as elsewhere but under a dictatorship they do not get into power. In the old days politicians erred and fell from power. Under the new eras of dictatorships they err but do not fall from power.

Sea Lawyers Abound

Some other sentences etch in with strong words Mr. Hambroch's conception of the evil effects on Brazil of presidentialism or dictatorship. "Little things like a magistrate's warrant for arrest are quite obsolete in up-to-date republican Brazil . . . The police is accuser, judge and 'lord high executioner' as well. There is no appeal . . . If the police know no law the tax collector knows too much. He is a veritable sea lawyer. He is a walking amalgam of coercive decrees and fiscal extortion . . . It is the tax-controller's chief mission in life to bowl out the unfortunate taxpayer sooner or later, for he shares fines with the government . . . The Brazilian taxpayer feels that the taxes he pays are not only onerous but unjust, that the revenues therefrom are misapplied (serving only to enrich the unscrupulous) and that the tax controller is a parasite . . . The Brazilian's house is no longer his castle.

"Brazil has a background of great liberal traditions of personal liberty and political freedom . . . The normal task of ensuring political and personal freedom in combination with stable government has been rendered so difficult by the practical futility of all American republican charters of so-called liberty that it has now become a problem. Each American republic will have to solve that problem in its own way, according to its traditions and special conditions. Brazil's historical antecedents would enable her to be one of the first to arrive at a solution. But only when Brazil regains her historical perspective will she envisage her future aright. Until then her political outlook will remain obscure."

Formerly a Democracy

"The national significance of the military intervention in 1889 was not that it overthrew the Brazilian monarchy. That would have come no doubt on the death of Don Pedro II, already an old man. That aspect was nothing but a side issue, decked out with all the republican paraphernalia of flag-changing and flag-waving, decrees about liberty and ukases about states of siege.

"The significant fact was that the coup d'état stopped the Brazilian ship of state in mid-career and put the engines hard astern. The engines are still in that position, and if Brazil has weathered many storms since 1889 she has done so not because of the skill of her pilots, but because when some more pressing danger threatened she has been towed into temporarily calm waters by a Foreign Salvage and Loans Association, that sent to her aid the tug-boat of debts, which she has never been able to dispense with since. The fantastic fumblings of Brazil's rulers have therefore not sufficed to drive the Brazilian ship of state on the rocks—yet."

"The new regime (in 1889) replaced liberal, parliamentary institutions by an autocracy of political parvenus . . . The financial and economic reversal was equally complete and immediate. In 1889 the quotation of Brazilian currency had actually been 5½ per cent above the par of exchange. That was the premium of paper money . . . Of all Brazil's public men before or since Don Pedro II was probably the sincerest republican.

"The new republican architects proceeded to justify their existence by reversing the financial and economic engines of the country. From 1889 to 1892 the exchange fell, from 27 to 17 pence a milreis . . . prudence was thrown to the winds . . . The balance of international payments had been highly favorable to Brazil. "The balance on the wrong side now became 18 per cent. The total indebtedness of the nation increased 36 per cent . . . The 'gold milreis' was introduced. The law was circumvented by making the gold milreis a theoretical one . . . It was an economic absurdity, a financial immorality. It was going off into the unknown looking for trouble — and never ceasing to find it thereafter . . . In 1894 exchange dropped further to five pence.

Directed Economy a Snare

"As a permanent economic feature the gold milreis was indefensible. As a financial policy it was fatal. It created an illusion of gold and encouraged depreciation of paper. By that double process the gold was surreptitiously sweated out of Brazilian gilt-edged securities. They remained gilt at the edges only."

"For nearly half a century, directed economy has been a snare and a delusion to a country in which politics have degenerated into the lobbying manoeuvres of irresponsible carpet baggers. The constant adverse factor in the vagaries of Brazilian exchange, as in all her other economic woes, has been a negative one, viz., the absence of any really political considerations and of any civic ideals whatsoever . . . Eventually they have not confessed, of course, but have shown themselves conclusively beaten in that inconclusive document known as the Financial Agreement of 1934."

Coffee has been all along the great crop which some day will relieve Brazil of all her difficulties in the view of investors in stocks and bonds of companies operating in Brazil and in debentures of governments, states and municipalities. Mr. Hambroch's sum-up is not so cheering and he speaks as a coffee planter of years standing in Brazil.

There are three billion coffee trees in Brazil with an annual production capacity of 27 million bags, he says. In other countries there are 1.5 billion trees with a capacity of 12 million bags. Barring frosts and accidents, the world will produce in the five years following 1934, he estimated, 36 million bags annually and consume 26 million bags. The competitors in 1914 sold 25 per cent of the world's requirements and now 35 per cent. But they sell all their coffee and the Brazilian planter and London lender "carry the baby." Brazilian coffee propaganda has cost a fortune. It has always been perfectly futile . . . There was no coherence or continuity in operating the cobbled contrivances that did duty for economic plans . . . All Brazilian financial schemes since the republic have been mere financial expedients, devoid of any policy at all.

New Books

Geneva's Debating Society

Prof. Zimmern, a Real Friend of the League of Nations, Paints It, Warts and All

"THE LEAGUE OF NATIONS AND THE RULE OF LAW; 1918-1935." By Prof. Sir Alfred Zimmern. Published by Macmillan Co. of Canada. Price $4.

Just now, friends of the League of Nations are downcast. They had a brief spell of optimism last fall when the League seemed to be acting vigorously to hold Italy in check in Africa. But it is now all too obvious that what was at work at that time was not a new type of post-war diplomacy, exemplified in the League of Nations as an all-powerful international authority, but merely the old and little reformed diplomacy of pre-war Europe using the League as a mask.

The future of the League is widely discussed. There are those who see it dwindling in diplomatic importance although retaining its functions as a statistical bureau, a convenor of conferences on health, economics, etc., and as a reporter of world trends. A league of European nations is seen by others as in the making. In any event, post-war diplomacy is not much different from the pre-war variety and the League has not yet succeeded in making it so. In this volume Sir Alfred Zimmern makes it clear why it cannot be much different under present conditions.

Prof. Zimmern makes the strongest possible case for the League and at the same time he reviews frankly its shortcomings, although he is not as much concerned about them as most critics of the League. Sir Alfred Zimmern is one of the great international authorities, a man prepared to give the League its due and to support it so far as possible, but also a man not likely to lose his judgment in a senseless, unreserved encomium of the League. He sees it realistically, as he sees the whole world picture, and he is not inclined to ask support for it in the evangelical appeals that are so popular with some of its propagandists.

This very lively volume, written with full knowledge and authority, is divided into three parts. The first part tells in great detail the manner in which pre-war diplomacy operated. It then analyzes the foundation of the League, telling the story of how it came into being and what are the elemental theories of its existence. The third part answers the question, "What is the League of Nations?" tells how it operates and gives a history of the four phases it has gone through to date. He concludes the fourth phase with 1935, leaving the reader to assume—as well as he may—that a fifth phase, one in which the fate of the League may be determined, has just opened.

The fourth period has ended in an atmosphere of defeat. War threatens in Europe as it did in the early nineteen hundreds. If war is to be avoided, it will not be avoided by the League, but by international diplomacy in which the League will play a part, and perhaps a minor part. Prof. Zimmern hopes the League will be a factor in eliminating, once and for all, the fear of war. But he makes it clear that since 1929 it has been quite evident that there can be no such thing as a "League of Nations policy" on particular issues. The idea of a common policy of the powers belongs to a past age—the age of the concert of the powers. Rather, he seems to see the League as a democratic body where certain problems can be worked out through co-operation and mutual understanding, and not through authority. The League is not going to give us "the Parliament of man" and, as Prof. Zimmern points out, still less "the federation of the world."

In fact, the very name, League of Nations is regarded by Professor Zimmern as a misnomer. Neither the word "league" nor the word "nations" is accurate. What we have in Geneva is a society of states. There is no common band of crusaders such as might be called a league, and the nations are not represented as nations but as states.

Thus the League starts with the handicap of being able to embrace in its discussions and activities only a portion of the matters that properly come under the heading of international affairs. The closing sentence of Professor Zimmern's able volume suggests a programme which is perhaps too much a counsel of perfection to be expected of the League of Nations: "In things necessary, Unity; in things indifferent, Liberty; in all things, Charity."

Prof. Zimmern is well known in Canada. He was here last fall and he was here the year before at the British Commonwealth Conference in Toronto. He is the Montague Burton professor of international relations in the University of Oxford, and he conducts a summer school in international affairs at Geneva. Many young Canadians have passed through his classrooms, and many people have been influenced by his speeches and writings. He has satisfied genuine need in providing us with a history of the League and an account of its workings. His record is remarkably free from the enthusiastic bias for or the venomous criticism against, which are present in most volumes concerning the League.

"CAMERA CONVERSATIONS," By "Jay." Published by Macmillan Company of Canada, Toronto. Price $5.

Canada is Leica-conscious and "Jay" has had a lot to do with making it so. With his tiny "candid" camera he has explored this country from coast to coast and found beauty and interest in strange places. A few years ago "Jay" was content to present the simple facts in his pictures; he sought human interest, but paid little attention to pictorial qualities. But he has become a pictorialist as well and the difference between the pictures he used to give us and the pictures he presents in this volume is simply the difference between a working drawing and an artist's canvas.

The collection of photographs is as varied as it is dramatic in interest. Statesmen, workmen, bridges, buildings, babies, meadows, shadows and flowers have all flashed their images on the 35 mm. film he uses up with such prodigious prodigality. Each photograph has a descriptive note telling the circumstances under which it was taken and the technical details that are such a delight to every man and woman who walks about snapshotting people and things. Thus the volume is at once a textbook on photography, particularly for the "minnie" workers, and a work of art for the library table of the folks whose only interest in photography is the pictures that result from the mysterious physical and chemical process it involves.

A word of tribute should be paid to the publishers and bookmakers. The engravings are splendid, the paper wisely chosen, the text set in type of simple beauty and legibility, and the binding is perfect.

Generously, "Jay" has included a few examples of the work of other miniature enthusiasts.

"Jay" will have to give us one of these books every few years. In the next one, we would like to see more evidence of the possibilities of the miniature camera for spot news work and advertising illustrations and in depicting industrial processes.

CANADIAN TRADE INDEX—Published by Canadian Manufacturers' Association, Toronto. Price $6.

First published in 1900, this valuable business reference book includes an alphabetical and classified directory of over 9,000 Canadian manufacturers, an export section giving details of government services, export procedure, selling costs and financing, and an export produce section containing a list of Canadian exporters of agricultural products.

THE TOWNSEND PLAN. By Nicholas Roosevelt. Published by Doubleday, Doran & Co. (Canada), Toronto. Price 60 cents.

In this book Mr. Roosevelt asks the question, "Is the Townsend Plan a miraculous formula for national prosperity, or a ruthless attempt at raiding the treasury, unparalleled in the history of the United States?" He answers in stinging sarcasm, and step by step demonstrates that the Townsend Plan is at once a racket and a delusion. A foreword by Lewis W. Douglas, former director of the budget under President Roosevelt, but now a stalwart foe of New Deal spending, says, "No more cruel hoax has ever been attempted on the American people."

As a short succinct exposé of the fantastic scheme of Dr. Townsend of California, to pay $200 a month to all aged people in order to ensure universal prosperity, this volume is to be very highly recommended.

PAST AND PRESENT FACTS ABOUT MONEY IN THE UNITED STATES, by Paul Bakewell, Jr. Published by the Macmillan Co. of Canada. Price $2.

In this volume, a St. Louis lawyer sets out to tell in simple language what money is, at least what it is in the United States, and to trace American monetary history through its amazing economic and political vagaries from the beginnings of the country.

He blames much of the present misunderstanding regarding money upon inaccurate use of terms. The word dollar, for instance, is used to describe a number of things, including a silver coin, a certain quantity of gold and a supposed standard of value. He shows that this confusion has led to much unjust legislation.

Over half the volume deals with the events from 1933 onward, and there is an earnest criticism of President Roosevelt's revaluation and silver purchase measures.

The volume helps to provide for American monetary history that simple and complete record which "The Pound Sterling" by Feavearyear provides for British monetary history and thus is needed to round out any average citizen's library of books on money.

"LONG LIVE THE KING." By Eric Acland and Ernest H. Bartlett. Published by John C. Winston Co., Toronto, at $2.50.

Three months ago George V died and Edward VIII became King of England. Already this full length biography of the late King and of his son and his successor has been written, printed, bound and made available for sale. Only newspapermen, trained to rapid craftsmanship, could have performed the first and writing half of such a feat.

Eric Acland, the chief author of the volume, writes on military matters and on horses for the Evening Telegram, Toronto. An Englishman, he has spent almost all of his twenty odd years in Canada. But he has never lost the inspiration of having sprung from that famous Acland stock that has contributed a long line of public servants to British political life. Four successive generations of Acland's were members of His Majesty's Privy Council, an unequalled record. He writes sympathetically, in fact with abundant enthusiasm, of the British monarchy.

Associated with him in his effort was Ernest H. Bartlett, ex-navy man and also a member of the Telegram staff.

Thousands of copies of the volume have already been ordered in advance by citizens of Canada, Newfoundland and the United States.

The biographies are simple and direct; recording the story of the late King and the present King as two competent journalists would be expected to write it; with an appeal to the average man and woman and without an effort at historical interpretation. There are numerous photographs of both Kings and of other members of the Royal family at work and at ease.

SOCIAL CREDIT: by Charles R. Sanderson; published by McClelland & Stewart, Toronto; price 25 cents.

Mr. Sanderson, who is deputy chief librarian of the Toronto Public Library, has incorporated in this 26-page booklet material originating with an address before the Empire Club of Canada at Toronto. In the briefest possible fashion, the case for Douglas Social Credit is presented, and then Mr. Sanderson with equal or greater enthusiasm, points out some of the important things wrong with the Douglas theories.

Mr. Sanderson leans backward to be fair in presenting the Social Credit theory, so as almost to give the reader the impression that he favors it. In his conclusion, however, he prefers the present financial system which does work, perfectly or imperfectly, to one which may not work at all. Because of widespread public interest in Social Credit, the booklet should be popular. However, the brevity of the discussion leads to rather scanty explanations. Hence, the reader who has never examined the Social Credit theory may suffer some mental indigestion due to the intensive condensation of material.

Lost Money

Drafts, Cheques Issued But Never Cashed

Here is a list of money lost in the Royal Bank as a result of certified cheques, drafts and money orders being issued but not cashed.

The Bonbon Candiac (Can.) Ltd., bought a draft or a money order (not clear) for $38.94, Oct. 26, 1920. It was payable to Ben Boudreau of Buctouche, N.B., and was not cashed. The amount is held in the bank at Buctouche.

The Stormont, Dundas and Glengarry Patriotic Fund issued a number of certified cheques or money orders which have never been cashed. They were issued at Cornwall, where the money is now held, as follows: March 13, 1917, $12.50; Sept. 6, 1918, $31; Dec. 24, 1917, $15; Nov. 26, 1918, $10; Nov. 26, 1918, $10; Sept. 1, 1917, $20.

Medical Hall Co. Ltd., of Cornwall, bought a money order or a draft Dec. 31, 1919, for $36.38. It has never been cashed.

Relyea and Co., of Cornwall, purchased a number of money orders or drafts which have never been cashed. They were bought: June 4, 1920, $44.70 and $75.75; Feb. 1, 1922, $25.20; Dec. 23, 1922, $25; Jan. 23, 1923, $20.

McLean and Stidwell, of Cornwall, bought a money order or draft Sept. 19, 1922, for $10. It has never been cashed.

The Cornwall Board of Trade bought a money order or draft Feb. 2, 1924, for $15 and it has never been cashed.

Maria St. James, of Dalhousie, N.B., failed to receive or did not cash several money orders or drafts sent to her by Albert Benoit, also of that town. They were: Dec. 24, 1929, $10; January 22, 1930, $10; Feb. 6, 1930, $10; Feb. 24, 1930, $15; March 11, $10; April 24, $10.

The Cairnie Construction Co., of Drummondville, Que., bought a draft or money order for $19.50 Jan. 26, 1924, and it was never cashed.

Pelletier and Niles, of Drummondville, bought a draft or money order July 24, 1929, for $20 and it was never cashed.

J. A. Godbout, of Edmundston, N.B., bought a draft or money order Sept. 19, 1930, for $87.50 payable to Fire Assurance of Philadelphia. It was never cashed.

Mark Lanigan of Grand Falls, N.B., bought a money order or draft for $36.06 Sept. 3, 1929. It was payable to the Fuller Brush Co., and was never cashed.

The Fraser Co. Ltd., of Edmundston, N.B., bought a draft or money order for $19.88 May 19, 1924, payable to Mrs. Fred Hill. It was never cashed.

Disher Steel Firm Gains in First Quarter

C. E. Disher, president of Disher Steel Construction Co., informed shareholders at the recent annual meeting that earnings for the first quarter of 1936 were substantially above those for the same period of 1935.

The company has commenced work on a new plant extension for Lever Bros., Ltd., Toronto. Some months will be required to complete this job.

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$7,100,000

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Trustee: Montreal Trust Company, Toronto and Montreal.

In the opinion of Counsel, these Bonds will be a legal investment for funds of Insurance Companies registered under the Canadian and British Insurance Companies' Act, 1932.

Schedule of Maturities

Due June 1st	Amount	Coupon	Price	Yield
1937	$350,000	3%	100.00	3.00%
1938	350,000	3%	100.00	3.00%
1939	350,000	3%	100.00	3.00%
1940	350,000	3½%	100.00	3.50%
1941	350,000	3½%	100.00	3.50%
1942	350,000	3½%	100.00	3.50%
The above Bonds aggregating $2,100,000 have been sold.				
1951	5,000,000	4½%	98.50	over 4⅝ %

We offer these Bonds (against payment on delivery) at the above prices and accrued interest, subject to prior sale, if, as and when issued and accepted by us and subject to approval of all legal details in connection with the creation and issue of the Bonds and the validity of the Trust Deed securing the same, as follows: Messrs. Long and Daly, on behalf of the underwriters; Messrs. McMaster, Montgomery, Fleury & Company, on behalf of Famous Players Canadian Corporation Limited. Titles of the Company to properties in the various provinces will be passed on by the Company's solicitors in such respective provinces.

It is expected that the interim bonds or trustee's interim certificates will be available for delivery on or about June 1st, 1936.

A Prospectus, a copy of which has been filed under the provisions of the Companies Act, 1934, will be promptly furnished on request.

Wood, Gundy & Company Limited — **W. C. Pitfield & Company Limited**

McLeod, Young, Weir & Co., Limited — **Hanson Bros. Incorporated** — **Greenshields & Co., Incorporated**

Milross Securities Corporation Limited — **Drury & Company** — **James Richardson & Sons**

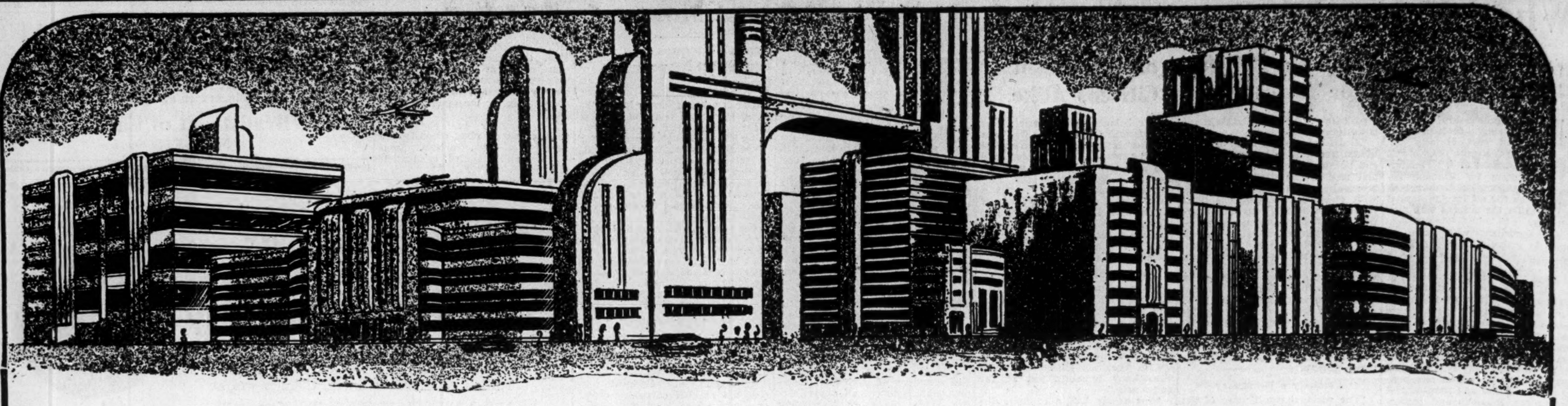
Johnston & Ward — **R. A. Daly & Co. Limited** — **Midland Securities Corporation, Limited**

L. G. Beaubien & Co., Limited — **McTaggart, Hannaford, Birks & Gordon, Limited** — **Cochran, Murray & Co., Limited**

Burns Bros. Limited — **Canadian Alliance Corporation Limited** — **Holt, Rankin & Child**

Eastern Securities Company, Limited — **T. M. Bell & Company, Limited** — **Irving, Brennan & Company, Limited**

Melady, Sellers & Company, Limited — **The Western City Company, Limited**



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SECOND SECTION

Vol. XXX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MAY 2, 1936 | 10c a Copy; $5.00 a Year | No. 18

Loans to West From Ottawa $114 Millions

Jump Over $40 Millions During Year Ended March 31, 1936

WILL BE CURBED

Dominion government loans to the four western provinces at March 31, 1936, totalled $114.9 millions, against $74.2 millions at March 31, 1935. The year's increase was $40,672,150.

The new figures are revealed in the report for the year ended of the Dominion Commissioner of Unemployment Relief, Harry Hereford. This is one of the most rapidly issued of all Canadian government reports and this year sets a record by beating the budget into print.

Drain on Dominion

The 1936 loan totals exclude certain expenditures for drought relief in Saskatchewan; $4 millions on this account being treated by the Dominion as expenditure in 1935-36. A loan of $1.3 million to Saskatchewan, authorized March 31, 1936, is also excluded.

These continual advances to the provinces have led the federal authorities to the conclusion the drain should be stopped. The loans were started as a protection to Dominion credit against possible provincial defaults. Now it is understood that the Ottawa policy is to separate the provincial credit from that of the Dominion, thereby stopping the rapid rise of the loans.

Standing of Borrowings

The total outstanding borrowings from Ottawa March 31, 1936, follow:

Saskatchewan	$47,068,629
British Columbia	27,572,680
Alberta	24,749,000
Manitoba	15,504,855

In the year ended March 31, 1936, Saskatchewan added a net of nearly $13 millions to its borrowings from the Dominion. Alberta's net borrowings were $12.8 millions, and British Columbia's were over $12.5 millions in the year. None of these three provinces made substantial repayments to Ottawa.

Manitoba's net borrowings from Ottawa were only $2.4 millions. The gross borrowed was $4.7 millions, but this province, most easterly of the four, repaid $2.3 millions in cash during the 1935-36 year.

Dominion loans and repayments in 1935-36, and the totals of loans at March 31, 1935, and at March 31, 1936, for each of the provinces were as follows:

Manitoba

	$
Loans made during 1935-36:	
For prov. purposes incl. pub. works, direct relief	3,775,500
For re-loan to municipalities	537,000
For relief in drought area incl. seed	408,155
	4,720,655
Net outstanding Mar. 31, 1935	13,108,629
	17,829,284
Less cash repayment 1935-36	2,324,429
Total outstanding Mar. 31, 1936	15,504,855

Saskatchewan

	$
Loans made during 1935-36:	
For prov. purposes incl. pub. works, direct relief	4,096,043
For seed grain and seeding	6,000,000
For re-loan to municipalities	145,000
For payment of direct and agricultural relief accts. unpaid Aug. 31, 1935	2,750,000
	12,991,043
Net outstanding Mar. 31, 1935	34,123,151
	47,114,194
Less cash repayments and credits applied during 1935-36	45,565
Total outstanding Mar. 31, 1936	47,068,629

Note:—In addition to above, accountable advances totalling $4,000,000 were made in 1935-36 for relief purposes in drought area of Saskatchewan which are now treated as expenditures. Loan of $1,300,000 authorized Mar. 31, 1936, not included in above.

Alberta

	$
Loans made during 1935-36:	
For prov. purposes incl. pub. works, direct relief	5,850,000
For agricultural relief	1,050,000
For re-loan to municipalities	450,000
For meeting maturing obligations	5,435,000
	12,785,000
Net outstanding Mar. 31, 1935	11,977,000
	24,762,000
Less cash repayment 1935-36	13,000
Total outstanding Mar. 31, 1936	24,749,000

British Columbia

	$
Loans made during 1935-36:	
For prov. purposes incl. pub. works, direct relief	6,195,000
For re-loan to municipalities	400,000
For meeting maturing obligations	5,971,000
	12,566,000
Net outstanding Mar. 31, 1935	15,014,234
	27,580,234
Less cash repayment 1935-36	7,554
Total outstanding Mar. 31, 1936	27,572,680
Grand total Mar. 31, 1935	74,223,014
Grand total Mar. 31, 1936	114,895,164

World Output Of Gold Down

According to the American Bureau of Metal Statistics the world output of gold in February was 2,584,000 ounces, as compared with 2,637,000 ounces in January. Of the February output, Canada, according to the Dominion Bureau of Statistics produced 266,422 ounces. Canadian production for the first two months of 1936 increased 16.2 per cent over the corresponding period last year.

The following tabulation shows production from South Africa, Canada and United States for the first two months of the year. Production figures from Russia, estimated to be second largest producer in the world are not available. Production for United States given below includes Philippine productions.

Country	Output 1936 Jan. ozs.	Feb. ozs.
South Africa	924,000	895,000
United States	291,295	275,718
Canada	277,554	266,422
Total	1,492,849	1,437,140

Canada—and the Next Five Years

Prominent Canadian Business and Professional Leaders Outline Main National Issues and Offer Solutions

IN THIS issue The Financial Post concludes its series of contributions from leading Canadians in which broad, constructive suggestions looking to Canada's future have been voiced.

In a subsequent issue The Post will retrace the ground covered by these notable articles and will review the many suggestions and recommendations that have been made.

This week's contributors include:

* * *

George J. Trueman has been for many years president of Mount Allison University at Sackville, N.S. Prior to that he was principal of Stanstead College, P.Q. He has also given important contributions to church and educational work in Canada.

Dr. George C. Pidgeon was honored by being the first moderator of the United Church of Canada when it was formed in 1925. Since that time he has gained stature as one of the foremost spiritual leaders on this continent. His approach to Canada's major problems is essentially a spiritual one but is nevertheless based on intimate knowledge of the trend of Canadian affairs at the present time.

* * *

Mrs. H. P. Plumptre ranks as an outstanding Canadian because of leadership not only in women's activities but also because of constructive work for many years on Toronto's Board of Education and more recently as alderman in that city.

Lead Clean Lives Youth Will Respect

By GEORGE J. TRUEMAN

As I look upon it, some of the most serious problems which Canada is facing today are as follows:—

(1) Public debt, the most serious debt being that in connection with the railways.

GEORGE J. TRUEMAN

(2) The general problem of economic development—the alterations and development of our economic system, including unemployment.

(3) The directing of the educational work of the various provinces of the Dominion so as to provide equal opportunity to all.

(4) Government and governmental relationships, such as the relationship of the provincial to the Federal Government and the Federal Government to the Imperial Government and of Canada to other nations.

(5) The problem of strengthening those organizations, laws and attitudes which are responsible in part at least for the character of our people.

Climax Coming in Railway Affairs

(1) In reference to debts, it is evident we cannot continue to increase our debts, Federal, provincial and municipal, without finally wrecking our country. Probably we are reaching a climax in connection with the railways and will have to discover some way to stop the deficits. It certainly would be impossible for me to decide a question on which the most careful students have given so much time, and have not been able to reach a conclusion. It would seem, however, that competing lines will have to be closed. The chief advantage of competing lines in the past has been to keep the rates down. If the Railway Commission is functioning properly there should be no difference in the rates, whether there is a competing line or not.

One cannot recommend that all railways be closed that run through territory where there is not enough traffic to make the road pay. It would seem as if the railroads will have to establish a service with lighter cars, much like buses or street cars. Since the country finally pays for the railroads whether they are owned by a company such as the C.P.R. or by the Government, and since the country also, even in a more direct way, builds and maintains the carriage roads, there does not seem to be any logical reason why an adequate division of service as between the two could not be made. The Railway Commission should be entirely free from political influence and should be given sufficient power really to control the freight and passenger traffic of the country.

Economic Wheels Rusty

(2) It has often been pointed out that even if the money of the few very wealthy people in Canada were distributed among the people generally there would not be enough to make any material difference in the prosperity of the people. If this is the case the solution is not to be found by that method. No one has studied the economic conditions of the civilized countries, however, without realizing that something is wrong. This has been so fully discussed that it would not be wise for me to take the time to enter into a discussion of the difficulties or of the cures. It is evident, however, that some way will have to be found in which the profits of industry will be more equally distributed. That millions of people should have too little to eat while the primary producers are required to store or destroy food and other commodities, or limit the acreage of production, is certainly wrong and no amount of explanation or argument will make it right. There is probably no ready method by which the economic situation can be straightened out. One feels that the present method of letting everybody look out for himself until the starvation level is reached and then extending charity to keep body and soul together is neither logical nor right. It is a treating of the symptom instead of getting at the disease itself. If the machinery now known could be used wisely and the results of research applied to production, and if a proper method of distribution could be found there would be plenty for everybody, and that without uncomfortably long hours of labor. Whatever one's politics may be, one must admit lower tariffs and freer communication between the nations will be a step in the right direction. The unemployed should be put to work, even if they cannot work to produce a profit; some method of regimentation must be found whereby work will be controlled by our governing bodies. One also feels that the present method of stopping the movement of people from one country to another is wrong.

Would it not be well for Canada to take in controlled numbers some of the best emigrants from different countries, Europe and America, and settle them on her vacant farm lands?

Must Sacrifice for Education

(3) By the British North America Act, education is under the direction of our provincial government. The percentage of illiteracy as published is much too high, especially in certain provinces. I was not thinking, however, of education simply as the means by which people learn to read and write, but of the wider question of the preparation for life that education should give.

In connection with education, there are two questions facing us today: (1) Vocational Education. How far should young people in schools paid for by the province be fitted for the work that they are actually going to do? We have already reached the stage where we do not believe the state has fulfilled its obligation when it gives special training to those who are preparing to enter the higher professions while supplying for the others only the mere rudiments of an education. (2) The other question is that of adult education. We are beginning to realize today that in the regular school years education has but its beginning. The great problems that face our country are finally settled by the voters and the voters are very largely uninformed. We realize today as never before that a man's ability to learn is greater after he reaches manhood than it was in earlier life, and we have become conscious that a very large number of our people today get the tools of knowledge yet never use them to banish three of the most dreaded enemies of civilization—ignorance, superstition and disease.

Leaders Not Impressed

There seems to be a tendency in Canada for many of our political leaders to speak slightingly of education and to act as if they considered that too much money was already being spent in this field. I venture to say that if Canada is to continue to grow and to take her place beside other nations of the world, it will be because she learns to value education above everything but character, and because she is willing to make almost any sacrifice to see that her youth and her adult citizens are given adequate information and training in both vocational work and those liberal subjects on which the development of good taste, judgment, honor and character itself in part depends.

Wealth is very unevenly divided not only as between families, but as between school districts, municipalities and provinces. No educational opportunity can be given to the inhabitants of our backward rural communities until larger units of taxation are established.

Financial Aid Needs Checking

(4) The Federal Government faces the heaviest possible financial responsibilities, yet it is being called on to help the provinces, some of which seem almost insolvent. As legislation now before the House shows, these claims are likely to increase. Many municipalities have borrowed well beyond their ability to pay, and in some instances have only been saved from insolvency by the provincial governments. If the Federal Government is to come to the aid of any Provincial Government in trouble, the Federal Government should have some check on provincial expenditures. For similar reasons the provinces should be able to check up on the municipal expenditures. There is also the question of the relation of Canada to the motherland, and to other nations. We hope that Britain may not be forced into another war, but if such should happen, no matter what has been written and spoken to the contrary, Canada would find herself involved, whether she wished it or not.

Individuals Are Responsible

(5) When speaking earlier of education, I had in mind those formal institutions that have been built up to train youth—the primary and secondary schools and the universities and other institutions of higher learning. Outside of school hours, the educational processes still go on—in the homes, in the community life and in the round of activities and organizations under the direction of the Church. The police force, the law courts, houses of correction and detention, and above all, the press of the country are all playing their part in the building up of ideals, attitudes and character. Those influences in Canada that tend to induce a respect for marriage, for religion, for justice, for law, are fully as important as the influences that make for economic success.

Of those influences religion has been the most powerful. Is that the case today? It is doubtful if the Church as a whole has the profound influence on life and conduct that it had a generation ago. It tends to be a divisive rather than a unifying influence, and unless the leaders of the different divisions can find a way to work together, its progress will be slow. The responsibility for a just, enlightened, and stable civilization rests fairly upon the shoulders of the people as a whole, and we will accomplish little by destructive criticism of Church, School or Government.

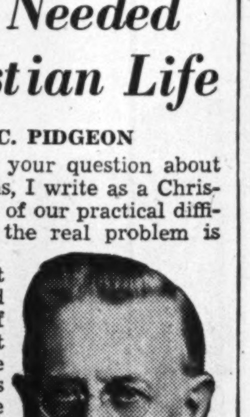
Our youth are more influenced by the daily life of men and women whom they admire than they are by the teachings of School or Church. Perhaps the greatest contributions the most of us can make toward the welfare of the youth of Canada is to be clean, decent and honorable ourselves.

* * *

Awakening Needed In Christian Life

By DR. GEORGE C. PIDGEON

In attempting to answer your question about Canada's five chief problems, I write as a Christian minister, keenly aware of our practical difficulties but believing that the real problem is deeper.



GEORGE C. PIDGEON

1. The first need is that Christian people should awaken to the resources of the Christian life. Christ meant what he said when he announced that the energies of the Kingdom of God were released by his life and death and that they were available to faith. "Greater works than these shall ye do" is His promise and it is fulfilled whenever men rise to claim it. What Christians call failure to realize their privileges in Christ was to Jesus the unbelief which shut the divine out of human life. This means also a profound disbelief in human possibility for faith in God involves necessarily faith in what He can make of man.

Self-Investment in Others

2. The second need is the recognition by Christian people of the fact that the vicarious principle is the law of the Christian life. According to the example of our Master, this means self-investment in others self-realization to such an extent that there is success for us only in their attainment. A teacher is committed to his pupils so deeply that he succeeds only in their scholarship. This principle should govern every line of human activity. This law of the Christian life is the supreme social ideal; it is in absolute opposition to the world's ideal of the service of self; only when Christian men fulfill the law of Christ can they change the world.

Must See Possibilities

3. The recognition of the worth of the individual necessarily arises out of this vicarious principle. If one is called to devote his life to others, the realization of their possibilities must be infinitely worth while. According to Christ, the individual is the end which all things beside are to serve—all institutions, systems and material interests are means to this end. Whatever in modern life subordinates personality to things and sacrifices individuals for their sake is directly contrary to the law of Christ. The business which casts men off when their energy has passed its peak, the political party which ignores the rights and capabilities of men who have given the best years of their lives to public service and throws them out to provide an opening for party heelers are both enemies of the public welfare and the cause of Christ.

Christ Claims Whole of Life

4. This involves acknowledgment by the Christian of his responsibility as a citizen. Christ claims the whole of life and the right to govern all its relationships. This surely includes the obligations of a citizen. Every thoughtful observer has been humiliated by the recent exhibitions at Queen's Park, Toronto, during the session just closed, and by the futility of the government in general in so many fields on which human welfare depends. This will continue until Christian men generally accept responsibility for these conditions as a duty they owe to God.

Change in Men First

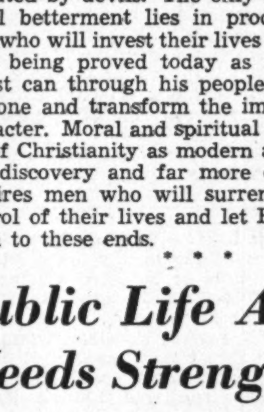
5. The acceptance by the Christian of the obligation to reproduce his experiences in the lives of others. Many are clamoring for a change in the social system and no one questions their decision that change in many things is long overdue. But the change in men is more necessary than the change of the system. It has been said that an imperfect system run by angels would produce better results than a perfect system operated by devils. The only hope for enduring social betterment lies in producing more good men who will invest their lives in the public good. It is being proved today as never before that Christ can through his people change the heart of stone and transform the immoral or unmoral character. Moral and spiritual renewal is a product of Christianity as modern as the latest scientific discovery and far more compelling, but it requires men who will surrender to Christ the control of their lives and let Him work through them to these ends.

* * *

Public Life Attitude Needs Strengthening

By MRS. ADELAIDE M. PLUMPTRE

The chief need of Canada at the present time is a sound attitude toward public life and her chief problem is the creation of such an attitude.



Mrs. A. M. PLUMPTRE

Under the title of "public life," I include, for present purposes three groups of people:—(a) the electors, (b) the elected, and (c) the executive.

(a) A large number of the electors are electors only in name—they are indolent or "too proud to vote" for the kind of people who now present themselves as candidates in the political or municipal field. Among this group there is a continual buzz of gossip about the action of public bodies; it constitutes a receptive audience for "spotlight" accounts of public proceedings, but is frankly bored by any serious discussion of public questions. This condition is very discouraging to those who are elected and it is even more serious when seen as a deterrent to other—and better—candidates.

Courageous Motives Necessary

(b) The elected are not, of course, to be confused with the "elect"! They are those who have had the courage or the hardihood to present themselves for election to a public body. I imagine that few candidates really enjoy an election; it requires a strong motive—noble or ignoble—to make it worth enduring, and those who deprecate the type of candidate who offers himself for election should take into consideration the unpleasant conditions which surround the entry into public life in Canada. Dirt throwing is a national sport.

(c) The Executive. Under this heading I include for my present purpose all public officials from the judiciary downwards, but especially the civil service. This country needs—and is proud to possess—an army of honest and efficient officials; but Canada needs to draw into the public service a larger group of her best trained and best-endowed minds. Especially should the civil service be enriched in this way.

It is easy to state a problem: far harder to offer a solution. What can be done to create a sound attitude toward public service?

This is not the kind of problem which can be solved by a formula but rather by a process of education, long enough to build up a tradition, such as Great Britain has evolved, with regard to the public service. Obviously, the place to begin is with the children.

Women's organizations and men's service clubs can do much to create this saner attitude in their membership, not only by meetings and addresses devoted specifically to "civics," but by requiring from their members an intelligent attitude toward their duty as electors or prospective candidates.

The general ignorance of the administration of public affairs is not so much important in itself as valuable as an index to the general attitude toward this vitally important matter of government.

Over-Government Too Costly

Too Much Government. I believe that Canada has too much government and too many governments for her small population: ten governments for ten million people!

This makes itself felt, first of all, in the burden of taxation. It is obviously costly to keep up ten Houses of Parliament or legislative assemblies, and the administrative service proper to each. But the expense is not the only disadvantage of this multiplicity of governing bodies; there is the more important difficulty of the formation and execution of national policies.

Sentiment May Unify Provinces

What to do about it? Behind this question looms up the spectre of the British North America Act; and behind that again the possible threat to the stability of Confederation if any attempt were to be made to change the "terms" on which Confederation was made possible.

The Great War demonstrated that a profound public sentiment can overflood constitutional divisions and unify nine provinces into one nation. It is possible that economic conflict in world markets may have a similar effect in overflowing provincial divisions.

The Dominion Government has, in recent years, called a series of conferences at Ottawa for the discussion of national and provincial questions to which provincial ministers and government officials have been invited. These conferences have no constitutional powers but they afford an opportunity for a frank discussion of important matters between the Dominion Government and the provincial governments. They may give an intimation of the line along which a greater centralization of policy may ultimately take place, preceding constitutional action.

Call for Leadership in Thought

Canada's International Policy. This problem is very closely connected with that of her internal organization which has been dealt with in the preceding section, but it is too important to be relegated to a secondary place in this discussion.

Canada's international policy is conditioned, first, by her membership in the British Commonwealth.

Secondly, by her membership in the League of Nations.

Thirdly, by her relations to her only neighbor, the United States of America.

Fourthly, by her geographical position between two oceans.

Fifthly, by her relation to the Powers of the Pacific.

Sixthly, by the fact that "Canada" is a word representing the fact of a very small population living in a very large country endowed with immense resources of potential wealth.

There are two forces which are making this question one of pressing interest and importance: international war and international trade.

There is a need for personal leadership in governments and in the financial and commercial groups whose decisions have a direct effect upon international relations, and who do not always recognize that foreign policy is a major interest of our generation. The building up of a group of able men behind the Ministry of External Affairs and the orientation of a special group of the civil service in this direction has already been suggested.

Examine What Others Have Done

The fourth pressing problem of which I shall speak is that of unemployment. In many ways it is the most urgent of all because it has such an intimate relation to human life and happiness.

The three main factors in the matter of employment are the trinity of work, worker and wages. Our real problem is the lack of wages not of work or workers. There is little doubt that all the employable unemployed could easily find work to do: it's the wages that are missing, for few people can live on what they produce with their own hands. Thus this question of unemployment which, on the surface, appears so simple, relates itself through wages to money and currency and banking and tariffs and foreign markets and external affairs and the degree of confidence we can place in those who have the direction of public business.

Keep Railways Out of Politics

The fifth problem of pressing urgency which I shall suggest is that of communication and transportation. The geographical configuration of Canada itself suggests the difficulty of tying together the ends of the long string of cities, towns and villages which stretch from the Atlantic to the Pacific. The railway has to compete today with the seaway, the highway and the skyway. Could Sir William Van Horne have imagined that the day would come when the C.P.R. would have to compete with a Panama Canal for its Atlantic-Pacific trade? What new discovery, which may be as catastrophic in its effect as the discovery of the steam engine, waits just round the corner today? One thing is sure: we shall never revert to the railway monopoly of transportation and communication; but the railway system must be retained, for no substitute has yet been found for it.

What is to be done? Keep the railway question out of politics and in the sphere of business management. Don't imagine that immigration will redeem the debts of railways, because the day of mass movements of migration is over; unless, by some intra-Empire plan, a British immigration is permitted on a comparatively limited scale. Develop air communication and encourage young Canadians to be "air-minded"!

I have selected five pressing problems of the Dominion and have tried to indicate some methods of solving them. It would have been easy to select another five of equal urgency. The problems may be stated in terms of practical difficulties, but I believe that the solution of most of them lies in the sphere of the "intangibles." Are the people of Canada strong enough to cope with the difficulties and potentialities which the conditions of Canadian life present?

First Quarter Reports Make Good Reading

General Average of Business Index Up Over 12 Per Cent

EXPORTS GROW

While productive operations as measured by The Financial Post business index receded for the second consecutive month in March, the result did not detract greatly from the excellent comparison with the first quarter of 1935. The average of the business index for the first three months of 1936 was 106.9, a gain of 12.8 per cent over 94.7 for the first quarter of 1935.

In the meantime a great improvement was shown in the financial background. Wholesale prices averaged 1.3 per cent higher and the index of inverted Dominion Government bond yields moved up more than one per cent. The most spectacular gain was indicated in common stock prices which advanced from 86.9 to 117.0, an increase of 34.6 per cent.

Mineral Production Up

Surveying the field of production, many marked gains are disclosed. The index of mineral production at 163 in the first quarter of 1936 showed a gain of 14.4 per cent.

Manufacturing production recorded a gain of 8½ per cent, the index moving up from 89.4 to 97. The industries engaged in the manufacture of consumption goods showed on the whole no spectacular changes from the first quarter of last year.

Lumber Industry Busy

The resumption of activity in the paper and lumber industry was highly satisfactory. A gain of 18 per cent was shown in the output of newsprint while the export of planks and boards indicating the activity in the saw milling industry recorded a gain of 17.3 per cent. The outward movement in the last three months was more than 309,600,000 feet.

The primary iron and steel industry was much more active than in the first quarter of 1935. The gain in the output of steel ingots was 70 per cent, while pig iron production was up 36 per cent. The decline of 12 per cent in motor car production was explained by the altered policy of the early introduction of new models. The gain in the imports of crude petroleum indicating activity in the oil industry was nearly six per cent, 166,000,000 gallons being imported in the first quarter of this year.

A gain of nine per cent was shown in contracts awarded as recorded by Macleans. The increase of 53 per cent in building permits was not so significant as appearing on the surface, the total of the first quarter of 1936 having been only $8,500,000.

New High For Power

Electric power production reached a new high level in the quarter under review. A slight recession was shown in carloadings despite the gain of five per cent in the gross revenues of the C. N. R. and a gain of 11 per cent in that of the C. P. R.

A gain in external trade was a spectacular feature of the quarter. Exports were up no less than 24 per cent and imports recorded a gain of 10 per cent. The greater gain in exports resulted in an excess over imports of $52,800,000 as compared with $28,600,000 in the first quarter of 1935.

An encouraging feature in view of the unemployment situation facing Canada at the present moment was an increase of 8.8 per cent in the number employed in manufacturing industries. The index of employment, averaged for the four reporting dates of the present year, was 99.0 against 91.0 in the same period of 1935.

MUNICIPAL HONOR ROLL

CITY OF OSHAWA ONT.

In the management of its civic affairs, the city of Oshawa, Ont., enjoys a place in The Financial Post's Municipal Honor Roll. It has improved its financial standing during the past four years despite the difficulties resulting from depressed business conditions.

Features of its operations during the past four years are:

Funded debt has been reduced by slightly over $1 million during the past four years. Debenture debt at the end of 1935 was $4,007,242.

Bank loans have been reduced by $120,000 since 1932. As at Dec. 31, 1935, bank loans stood at $678,252. Of this amount, $203,252 is made up of capital loans which are secured by $219,000 of unsold debentures. The unsold debentures are included in the debentures debt figure given above.

Expenditures during the past three years have been kept well within actual cash receipts so that the city has been able to report a surplus. The excess of revenue over expenditures in 1935 was $32,036.

Relief costs have been met entirely out of current revenue. No part of the city's share of direct relief costs have been funded.

Reserve fund: During the years 1932 to 1935, inclusive, a fund was built up out of current levies sufficient to purchase vacant lands offered at tax sales in 1934 and 1935 amounting to $187,000.

Tax collections have shown considerable improvement in the past two years. Total collections for these years exceeded the amount of the levy. In 1935, total collections were equivalent to 105½ per cent of the levy.

In The Construction World

Facing Obsolescence

NOT in new office buildings, government structures, power dams, roads or railroads, but in low-priced house building on a mammoth scale lies the immediate field for construction, argues Louis J. Horowitz, in summarizing a series of articles on construction in a U. S. publication. Mr. Horowitz seems to be exceedingly dubious of government stimulation along all lines save housing. He apparently believes other type of construction is either overbuilt or is on the verge of becoming obsolete. In his opinion, therefore, it would seem to be exceedingly foolish to duplicate such existing construction when something entirely different may be called for in the near future. Says Mr. Horowitz:

"The vast and unending corridors of the new administrative building in Washington may yet become the mausoleum of all that we enjoyed, just as those tombs of the Pharaohs, the pyramids, became the tomb of Egypt."

* * *

Housing the Big Field

BUT when he turns to housing, particularly that type which caters to the $2,000 per year income man, Mr. Horowitz waxes much more enthusiastic.

"Housing is the one field in the building construction industry where there is a shortage; in this field it is acute. If we will only use it, here is the magic that is needed to start up our mills, our factories and mines, and feed our railroads. The many millions we could spend for this through the regular avenues of trade would produce a wealth greater than can be measured in dollars; they would bring improved national health, better family life, and increased dignity. Slum dwellers want such homes with a yearning that goes as deeply into the past as the human race. Farmers and farmers' wives want better houses probably more keenly than they ever wanted automobiles when they had horses. They got automobiles; and by the adaptation of the same processes of our national genius that gave them automobiles, they can be given houses."

* * *

Must be Cheap

BUT Mr. Horowitz is of the firm opinion that such houses must be cheap, and that it may be necessary to reduce wages and the cost of other materials in order to make them cheap. Reduction in wages he does not think should be an insurmountable difficulty. Although politicians consulted shook their heads when this subject was broached, Mr. Horowitz stuck to his conclusion.

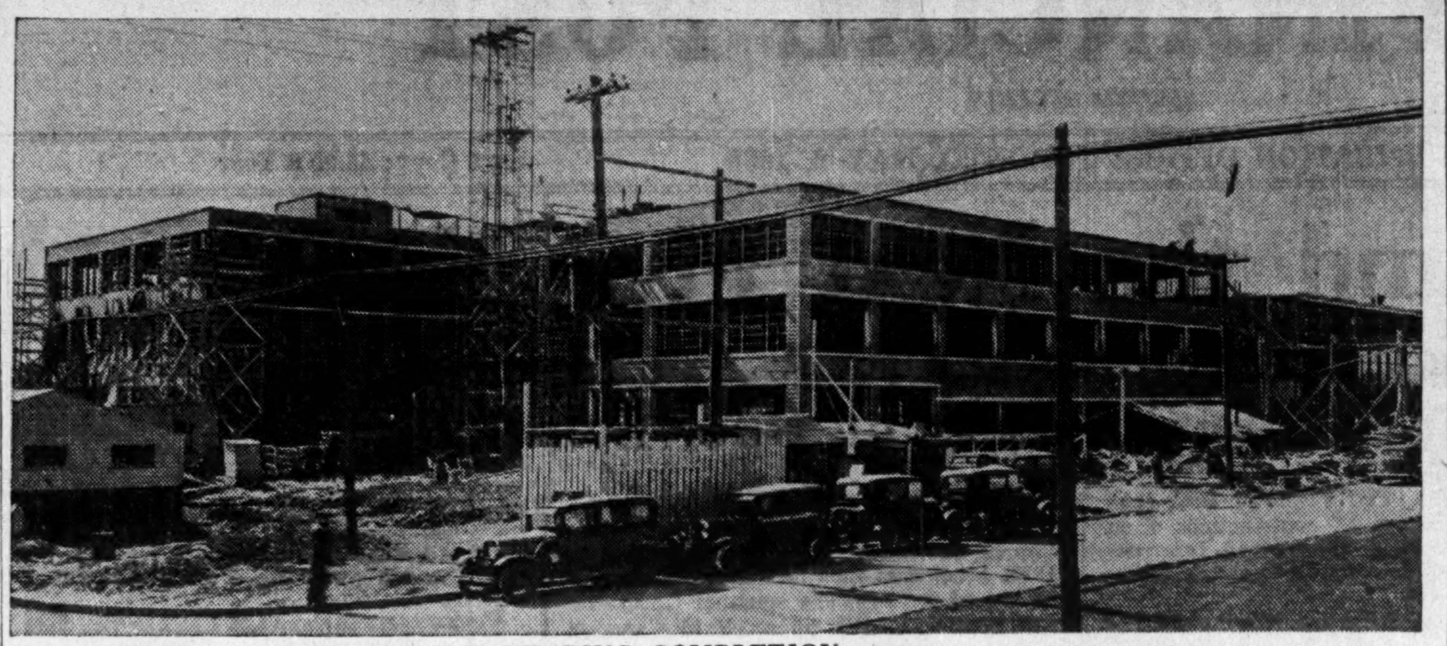
"Personally, I cannot see how a workman is helped by a wage rate of $12 to $16 a day when he does not get the money. At a rate of $1 an hour, I believe building mechanics could go back to work for 250 days a year—on housing."

* * *

High Cost Labor and Materials

SIMILAR sentiment was expressed by Ross H. McMaster in his presidential report to Steel of Canada shareholders last week. After pointing out that construction labor rates had been increased by legislation he intimated plainly that the high cost of labor and materials was retarding a revival in building in Canada. He emphasized the advantage of a full year's employment at a moderate revenue rather than a few days' work at a high hourly wage. Mr. McMaster stated:

"In the existing circumstances, the prime considerations are the number of days' employment afforded per annum and the yearly earnings secured, rather than the rates per hour or the prices per unit."



NEW CONTINENTAL CAN PLANT NEARING COMPLETION

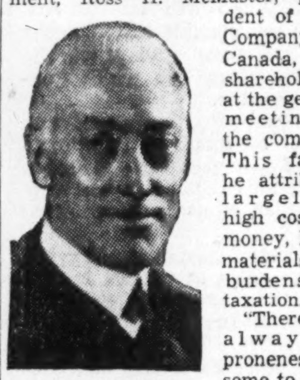
Continental Can's plant at New Toronto is now within three weeks of completion. The building, erected by Austin Company of Canada, is reinforced concrete with a brick facing. Started in mid-January early construction was completely enclosed in stout tarpaulin, the temporary roof and walls of which were hoisted as the permanent building went upward. The outer covering permitted men to work in any kind of weather, night or day, and allowed concrete to be poured and harden irrespective of the temperature. This is the tenth plant to be built by Continental Can in United States and Canada since 1927. Machinery is now being installed, ceiling fastenings being made to permanent connections built into the steel reinforcing of the building. The new plant will be in operation turning out cans for the pea harvest in June.

Maintains High Costs Handicap Construction

Labor, Materials, Money and Taxes Too High, Says McMaster

HOUSES MAINSTAY

Canadian construction has failed to show signs of decided improvement, Ross H. McMaster, president of Steel Company of Canada, told shareholders at the general meeting of the company. This failure he attributed largely to high costs of money, labor, materials, and burdensome taxation.



ROSS H. McMASTER

"There is always a proneness for some to point the finger at others as bearing the sole responsibility for a failure which seems to them someone else's fault," he stated. The circumstances rather justify a realization that the objective, namely, a greater volume of construction, can be achieved by the collective contributions made by those in control of the following factors:

Obstruction Factors

(1) That mortgage money is not available at sufficiently low rates;

(2) That prices of building materials have not declined to proper levels;

(3) That construction labor rates have been increased by legislation;

(4) That the steady growth of taxation is discouraging building.

Mr. McMaster bluntly corrected the often-expressed opinion that construction was largely concerned with gigantic projects, employing only a few highly skilled workmen.

Houses Are Mainstay

"In its broad sense," he said, "construction work is too frequently pictured in the public mind as confined to office buildings, government projects, etc., whereas our building records disclose the preponderating importance of private dwellings and apartments as the mainstay of employment in the construction industry.

"Likewise, employment is regarded as embracing only those who do the actual construction work instead of envisaging workers in steel plants, cement plants, wood working (back to the woods operations)—the manufacture of locks and hardware, furnaces and plumbing equipment, household appliances and building materials of all kinds, to whom the wage distribution is equally as important in volume as the amount paid in the actual building operations.

Must Remove Uncertainty

"The main inspiration encouraging investment in residential properties comes from the knowledge of the individual that his occupation has a proper degree of permanency and that his income in future will not be subjected to greater inroads year by year in satisfaction of the demands of the tax-gatherer. The steady growth of such payments has created an uncertainty which manifestly deters expenditures for home building and will continue to exercise that influence so long as it persists.

"From the standpoint of mortgage money, it seems likely that it will be available at reasonable rates so long as confidence is supported by the future ability of the borrower to redeem his pledge.

Labor and Materials

"Producers of building material on their part can make a contribution in each case by the presentation of values which will encourage consumption. In a similar manner, construction labor can assist if it is realized that rates which tend to deter building are of no benefit to those in whose interests they may, primarily be established.

"In the existing circumstances, the prime considerations are the number of days' employment afforded per annum and the yearly earnings secured, rather than the rates per hour or the prices per unit. A stimulus to building construction, therefore, may be said to depend on how effectively credit, labor, material prices and taxes, by the policies followed, support their mutual objective.

Government Building and Taxes

"In the consideration of these national problems one is continually driven to the conclusion that their solution is dependent upon the restoration of a sound condition of governmental finances without which a proper degree of confidence in the future cannot be created.

"Ample supplies of credit are available and with the prevailing low interest rates applying to savings either in the form of bank accounts or bonds, every incentive should exist in support of home construction work.

"The great handicap, however, is the threat that unbalanced governmental budgets will bring still higher taxes, and so long as this fear prevails private initiative does not possess the courage which otherwise would be evident. Any government building programme will provide temporary relief only," concluded Mr. McMaster, "and the solution of the unemployment problem will result from the gradually restored confidence and purchasing power of the people."

Lack of Building Affects Railroads

The steel industry still suffers from the restricted purchases by the railroads, and also from the much reduced demand for construction purposes. These two conditions are to some degree inseparable because the decline in railroad traffic is due in a measurable degree to the lower tonnage of construction materials carried. *—R. H. McMaster, president Steel Company of Canada.*

Large construction firms are still suffering from lack of contracts and indirectly the railways, in that the latter lose in what was one of their most profitable lines, the transportation of large quantities of construction materials.—*Sir Charles Gordon, president Bank of Montreal.*

Built-in Radio Is Now Offered

Amplifying Equipment Is Integral Part of New Building

Architects and radio manufacturers have combined to develop special sound carrying equipment that may be installed as an integral part of the house or other building under construction.

One of the latest developments along this line is a device designated as a complete audio programme system for the home. There is a centrally located radio receiver with remote control devices and loud speakers in all rooms of the house. A typical installation consists of an amplifier and broadcast pickup either concealed in an attic or enclosed in a decorative cabinet that may be placed in any part of the house.

In Every Room

Portable control boxes and loud speakers may be scattered throughout the building or in each room. In some houses, a central sound projector may be installed in the ceiling of the central hallway and covered with an ornamental grille. This may be used when it is desired to flood the whole house with entertainment. A night control box may be installed in the master bedroom for controlling the instruments after all in the household have retired.

The system is designed to give complete mastery of all different types of music from any part of the house. By using the centrally located sound projector, it is possible to reproduce organ or symphony music with concert hall effectiveness. Near-by loud speakers may be selected for listening to descriptions of sports events or addresses by prominent persons.

Says Hourly Wage Building Handicap

Official Censures Methods of Building Industry in Britain

Apparently not satisfied with the present unparalleled building activity in Great Britain, nor with the fact that costs in that country have been steadily reduced ever since the war, B. S. Townroe in his "Britain Rebuilding" argues much could still be accomplished in this phase of the construction industry. The author brings experience as an officer of the ministry of health and as a member of several important public bodies engaged in grappling with the housing problem.

Thousands of small houses, he points out, are being laboriously erected by the same methods as prevailed before the battle of Waterloo. The cost of their erection could be reduced if conditions affecting building and the methods employed were radically revised.

Mr. Townroe regards the hourly basis of employment as a fundamental obstacle to the necessary reform of the building industry. Arguing in favor of a weekly wage, he claims that there is no more security for the average bricklayer or carpenter of today than there was for the laborers in the vineyard.

Discussing the present activity in buildings, he states that the view taken within the industry itself is that this period of prosperity will last until 1938.

Building Costs Rising Here; Lowest Since War in U. K.

While building costs have shown a tendency to rise in the last year or two in both Canada and United States there has been a steady decline in Great Britain ever since the war. Actual construction in the first two named countries has increased during the same period but not to the extent that it has in Britain.

In Canada the Dominion Bureau of Statistics estimates that costs of building materials in 1935 were approximately 82 per cent of those prevailing in 1926. This represents a sharp rise from the 77 per cent in 1932 which was the low point of the last 15 years. In 1920 costs were 144 per cent of 1926. Incomplete figures for the current year would indicate that costs have continued to increase.

Compared with 1927, building costs in the United States are estimated at 96 per cent. There was a drop between 1927 and 1931, but since that time a gradual rise. On the other hand, in Great Britain costs are reported to be still declining, now being 70.2 as compared with 100 in 1927.

These costs in the Old Country are said to be the lowest since the war. Improvement in materials and progress in various methods of prefabrication it is said have kept them on a downward trend. It has been estimated that a workman's house costing $3,610 in 1920 could have been built ten years later in Great Britain for approximately $1,700, and for almost $300 less last year. It is this reduction in cost, it is stated, which is responsible as much as anything else for the continuation of the recent building boom in Great Britain.

"Reds" Agitate B. C. Lumbermen

From Our Own Correspondent

VANCOUVER. — Just when British Columbia lumber dominates the export trade of the Pacific Northwest and when mills are about to win back some of the heavy depression losses, a widespread strike of loggers is threatening.

It is reported American labor organizers of communist leanings have been active in the logging and sawmill industries during the past few weeks, endeavoring to get the workers to insist on a higher wage rate. This would put the B. C. workers on about the same level as Washington and Oregon, the highest for the timber industry on the continent.

Such a high rate, it is contended by lumbermen, would immediately remove all advantage that British Columbia now enjoys in world markets. American companies can pay a slightly higher rate because they have access to the great American domestic market and obtain equipment cheaply. Canada benefits from the Empire treaties, but must sell in competition with such notoriously low cost countries as Russia and Scandinavia.

Bank of Canada to Build New Head Office Building

Bank of Canada has purchased, for $86,250, a site on Wellington Street in Ottawa, where a three-story head office will be erected.

Bank of Canada's premises are located in the Victoria Building in Ottawa, but the lease does not expire until 1938, when the new building will be available. The site of the latter was owned by the Canadian Bank Note Co. Ltd., which, in order to complete the sale to the Bank of Canada, bought additional property at 234 Wellington Street, Ottawa, for $21,000.

Western Industries

Manitoba's industrial output in 1934 was $13.9 millions greater than in 1933. It is estimated that the output for 1935 was over $20 millions greater than 1933.

JAMES W. SEWALL
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ont.

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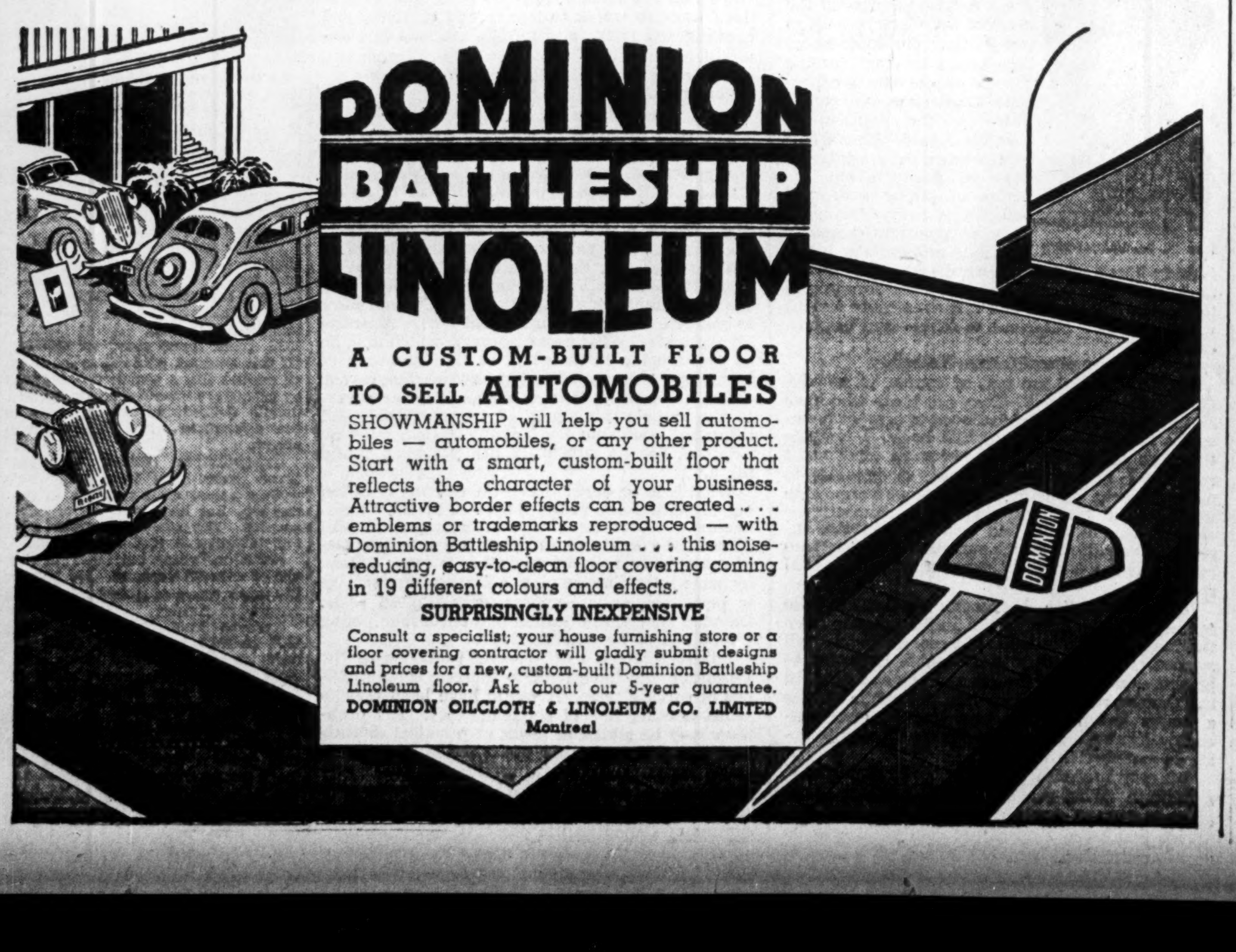
Established 1919



Central Heat To Open Path For Building

Consumers Await Plan That Will Banish Messiness

SOME HAVE IT

Will central heat soon be available in Canadian cities as a public utility? Will the house of tomorrow have heat lines connected as is today the case with water, electric and gas mains?

Spring would seem an inopportune time to discuss heating problems. But if there is to be any change in supplying next winter's warmth, that change must soon be considered.

In most construction jobs as in a good many other things, Canada has been in the habit of looking toward United States for guidance. But as the latter is a much warmer country than our own, probably this difference explains why we have largely looked in vain for leads on winter heating on a big scale.

Improvement Overdue

One simply cannot believe that our present system of heating largely with individual units, is the ultimate solution. After all, the ordinary furnace is only one step removed from the old stove or fireplace which warmed a single room. Certainly in the well built-up cities there would seem to be an immense field for some satisfactory system of central heating.

Office buildings, factories, public buildings, stores and residences are all potential customers. Distribution would have to be worked out, probably on the same basis as now applies to most public utilities. An exclusive franchise would have to be secured covering a specified district for a specified time and for a pre-arranged schedule of rates.

Big Business

Distribution under streets should not offer insurmountable difficulties. In almost every municipality there are several examples already. Here and there two or three buildings, such as the Royal York and the Union Station in Toronto, or groups of individual structures that make up our universities, have installed central heating. In Winnipeg such a system is in operation covering a fairly wide range of scattered individual buildings.

If heat can be successfully carried in these instances half a mile or so underground, it should not be impossible to pipe it along any city street and sell it like gas. Indeed it may be a new cheaper gas or oil that will be used, in which case it would be central distribution of a new, cheap and fully combustible fuel. Certainly in the thickly congested areas, of office buildings, big stores and apartments, the scheme would appear to be fairly simple.

Heating in Canada is big business. The annual retail bill alone for coal runs into $70 millions. Business of gigantic volume is assured once some practical means of distribution has been worked out and tested to the satisfaction of the sceptics.

Many Advantages

Advantages are many and obvious. Utilization could be made of the cheapest fuel. Low grade coal, surplus electricity and gas and coke from the gas plants could all be used. The saving in being able to use the cheapest fuels alone would go a long way toward offsetting possible losses in conducting pipes.

In the warmer weather of spring and fall, too, there could be much greater saving effected than can possibly be the case with the small individual heating units now in use. These must always use a certain amount of fuel at such times in order to keep the fire going.

Big Construction Field

From a construction standpoint the field offers almost unlimited possibilities.

Excavation for the insulated pipe lines would create work for thousands of unskilled laborers. Manufacture and laying of the pipe, the production and installation of the necessary alterations to the present heating system would keep skilled workers busy for many months.

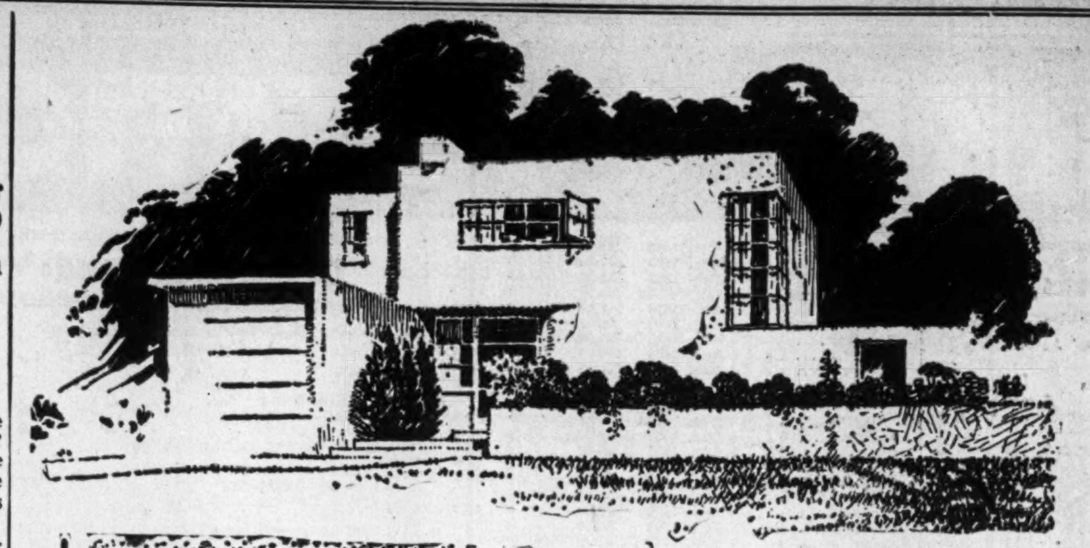
In the residential field, too, new permanent maintenance men would be put to work. These in most cases would only be replacing unskilled amateurs only too glad to turn over the drudgery of shovelling coal in and ashes out.

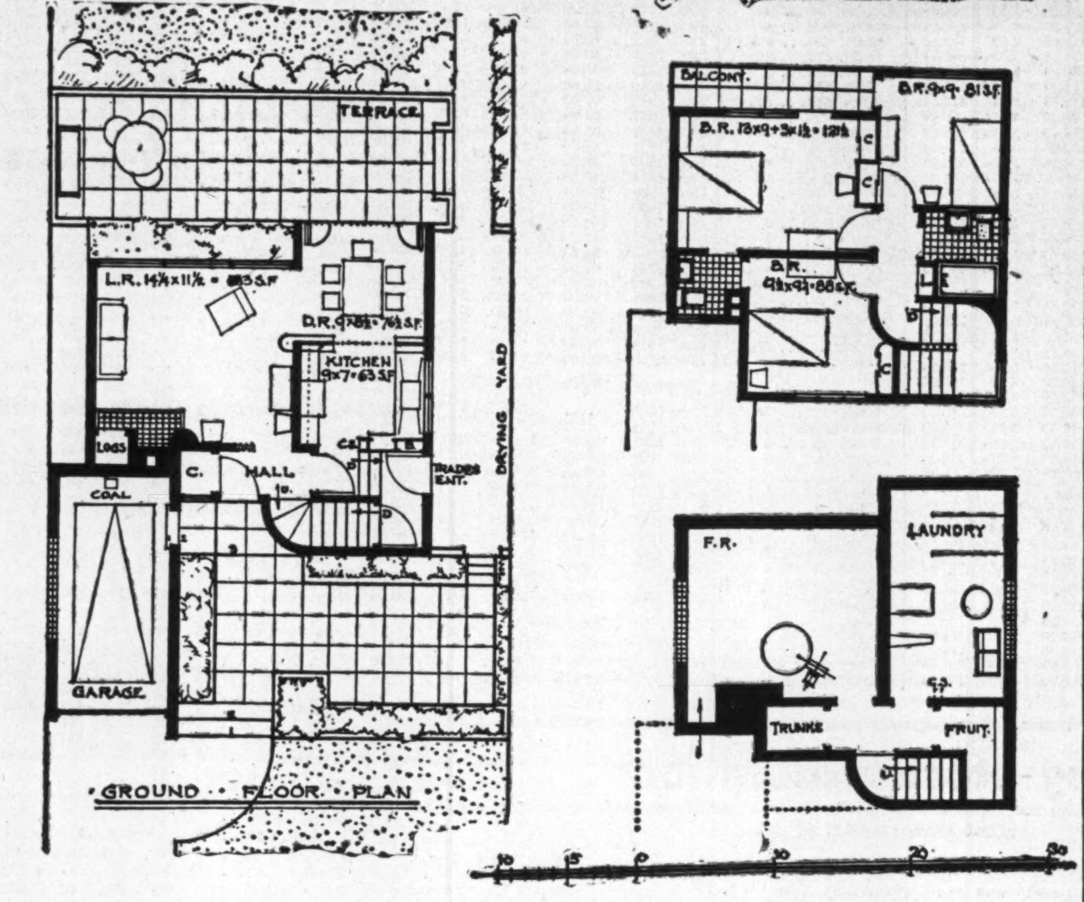
Little Sales Resistance

Similarly, municipalities, no doubt, would not be sorry to see the disappearance of a lot of small smoking chimneys and dusty ash wagons. There is such a lot of messiness in attending the ordinary household coal burning furnace particularly, that the problem of selling ready-heat to the consumer should not be a difficult one. The fact that many of these oonsumers have already installed relatively more expensive oil, and gas heating systems indicates their willingness to get away from individual firing.

Not necessarily something cheaper, but something cleaner and more efficient in heating seems to be wanted.

Barnsdall Refining Corp., Tulsa, Okla., has completed negotiations for plant and warehousing arrangements in the Toronto area. Universal Petroleum Co. of Can. will can and package the Barnsdall line of lubricating oils and store and distribute their cleaning solvents and other petroleum products throughout eastern Canada.





ADJUDGED BEST IN HOUSE DESIGN

Of 526 designs submitted in the architectural competition sponsored by the Dominion Housing Act Administration, the above by William Ralston, M.R.A.I.C., Toronto, was adjudged the best. It represents a small residence that could be erected under average conditions for approximately $3,300, exclusive of lot and garage. The two second prizes in the competition were won by John Fish, M.R.A.I.C., of Montreal and Harold Greensides, Toronto, respectively. The competition was open to Canadian architects, and designs had to conform to certain minimum specifications laid down by federal housing authorities with the idea of developing types of residences suitable for construction under the Dominion Housing Act. Above front view, left, ground floor plan, upper right, upstairs plan, lower right, basement. The house of approximately 13,000 cubic feet, is designed for a 33-foot lot.

Prize Winning House Boasts of Flat Roof

William Ralston, Toronto, Has Best in Federal Contest

A flat roof, modern type, six-room dwelling was adjudged first prize winner of $500 in the architectural competition sponsored by the Dominion Housing Act authorities under the federal department of finance.

The winning design covered a house which could be erected in most parts of Canada for less than $3,500 according to William Ralston, Toronto architect, who won first prize. Mr. Ralston pointed out to The Financial Post that a variety of material could be used in the main construction, clapboard, rough cast, brick veneer or stone depending on local conditions or ultimate cost.

Could Be Varied

Under Toronto restrictions two of the bedrooms would have to be made a shade bigger but 80 square feet was allowed as a minimum under the restrictions laid down by the competition. He also pointed out the design could be easily varied so as to prevent monotonous similarity where such houses were to be erected in any number.

With a little variation in the original plan, too, it would lend itself to a certain amount of prefabrication and thus reduce volume production cost.

It is admittedly a house of cheap construction although the estimate mentioned by Mr. Ralston, includes 4-inch insulation in the walls and suitable insulation for a flat roof. A sloping roof could be added at slightly higher cost.

Flat Roofs and Prejudice

Mr. Ralston agrees with the judges of the competition that a flat roof in Canada is thoroughly practical. Elevators, he said, made the modern skyscraper practical and now cheap insulation materials make a flat roof practical also. He admitted, however, there is considerable prejudice against flat roofs, but added that the fact that practically all of the large office buildings in every part of Canada have such roofs, indicates their feasibility.

As for using such affairs for sun or recreation rooms, however, he was rather dubious. Like other building authorities interviewed by The Financial Post, he explained that to use a flat roof as a floor would require other treatment than the usual cheap tar and gravel construction. Decking would be necessary and here one would run into difficulty from moisture and ice. Apparently flat roof sun rooms are out of the question in cheap houses.

WM. RALSTON, M.R.A.I.C.

Following the announcement of the winners in the housing competition the judges made the following statement in regard to Mr. Ralston's design:

"Fulfilling all of the conditions of the competition regulations the winning design, while modern in atmosphere, shows in its plans a well-studied and straight-forward arrangement of rooms best suited for the needs of the average Canadian household.

"Aware of desirability of using the simplest forms and also of using the cheapest and most widely distributed building materials the author of the winning design has displayed marked skill in the use of the modernistic treatment of his general design. The proportioning of wall and window surfaces has been carefully studied and a most pleasing and satisfactory result has been obtained without the use of costly forms of embellishment.

"It was in the stated conditions of the competition that special consideration would be given to the design obtaining the required accommodation within the minimum enclosed space. So well has the architect succeeded in this regard in the winning design that the judges had no alternative but to give the design special consideration apart from its other merits, for its small cubage and its conformity to requirements of low-cost construction, which can be achieved without detriment either to the quality of the house or to the comforts that it will offer to the owner.

Big Living Room

One feature which is perhaps new to most owners of small houses in this country is the absence in 75 per cent of the designs submitted of the "cell" type of plan with a small living room or parlor and an equally small or smaller dining room. By eliminating central hall and wasteful passages competitors have concentrated on large living rooms in which an effect of even greater space is given by a dining room as part of the living room or at right angles to it without a dividing partition. In the judges' opinion such a solution of the house design in the $2,500 to $5,000 class is thoroughly sound and proper.

"It might be pointed out that no reasonable objection can be found against the flat roof. Properly insulated it is perhaps the best roof for our climate and the least difficult and costly to maintain.

"The jury concentrated on plan but so far as the external treatment was concerned the judges approached the problem without any preconceived idea of style. Marks were given for charm and suitability regardless of style."

Charlottetown Plans Own Electricity System

From Our Own Correspondent

MONTREAL. — Legislation has been passed by the Prince Edward Island legislature giving the City of Charlottetown authority to establish a municipal power plant and distribution system.

Authority is provided for issuing of special debentures, to bear interest at a rate not exceeding 4½ per cent annually, to cover the cost of establishing the system.

Brittain Advocates Tax on Utilities

Municipal Bureau Urges Toronto to Cut Expenditures

Endorsation of the principle of taxation of Toronto's public utilities is contained in the 22nd annual report of the Bureau of Municipal Research, issued over the signature of Dr. Horace L. Brittain, managing director.

Taxation of the utilities is not advocated primarily to reduce the tax rate, but rather to ensure "that those who use the services of the utilities pay the cost of the services and that municipally-owned utilities are operated with the greatest possible efficiency."

In discussing Toronto's financial position, Dr. Brittain points out that no civic budget has been balanced since 1932 and that "unless some forthright action is taken to balance the 1937 budget than has been taken heretofore, the era of unbalanced budgets may last a long time, to the increased distress of the taxpayers, the further slowing up of business and industry, the confiscation of capital values of real property, the further prostration of the building industry and the prolonging of unemployment relief."

Should Cut Expenses

The only safe way of balancing the budget, the report states, is through curtailment of current costs. This cannot be effected by postponing expenditures.

In discussing unemployment relief costs, Dr. Brittain says that even if expenditures for this purpose cease after 1936, repayment of principal and interest on amounts funded by the city of Toronto will continue to 1944, by which time interest alone for the years 1933 to 1934, inclusive, will have reached $1.8 millions, equivalent to 2 mills on the city's present taxable assessment.

Shatterproof Glass Gets Rival in Plastic

A new plastic, named Acryloid, is announced by a Philadelphia firm. It is a by-product of petroleum.

This new material is claimed to maintain a clear transparency without discoloration upon ageing, and to be unusually tough. On this account, it is expected to prove a rival of the present type of shatterproof glass for automobiles, and it also may be used for aeroplane windows, compartment tops, optical lenses and novelties.

Dominion Bridge Co. Secures "Nickel" Contract

From Our Own Correspondent

MONTREAL. — Dominion Bridge Co. has secured contract to supply 12,000 tons of structural steel to be used in connection with the $6 millions construction programme being undertaken by International Nickel Co. of Canada near Copper Cliff.

New Industries

Ontario Creosoting Co. Ltd., 67 Yonge St., Toronto, will establish a creosoting plant on the waterfront at Port Arthur, Ont.

Hygrade Corrugated Products, Ltd., London, Ont., manufacturers of containers and similar articles, is completing arrangements for an addition to cost about $30,000. (London Evening Free Press).

Atlantic & Pacific Tea Co. is spending $35,000 on two new stores in London, Ont. (London Evening Free Press).

St. Lawrence Alloys Ltd. has been newly formed to operate in Montreal. Robert Turnbull, president, states his company expects to use 30,000 to 35,000 horsepower in 1937 and that about 20,000 tons of African manganese will be imported. Production on a small scale will start in July of this year. (Montreal Star).

Eldorado Gold Mines, Ltd., will erect an extensive addition to the radium extraction plant on John St., Port Hope, Ont. (Port Hope Guide).

Werner C. Smith Co., Cleveland, Ohio, has leased approximately 30,000 sq. ft. of floor space and two acres of land in Toronto for the manufacture of industrial oils, chiefly core oil for the foundry industry.

Use of Electricity Jumps in Britain

Is Up 70 Per Cent in Last Six Years

Over the past six years, during which the electrical grid (central distributing scheme of power lines) has been building and getting into operation, the output of electricity in Britain has expanded by 70 per cent. In 1935, when general trading by the Central Electricity Board was in force throughout the greater part of the country, says the board's annual report, some 17,565 million units were generated in public supply stations in Great Britain, about 2,100 million more than in 1934, and 95 per cent of this was generated in nearly 150 stations operating under the direction of the board.

Along with the interconnection of power stations has gone the standardization of frequency of supply throughout the country. About 75 per cent of the standardization work has been completed and, by the middle of next year it is expected that the whole electrical supply of the country will be at the standard frequency of 50 cycles.

Britain came somewhat late into the field of large-scale electrical supply, but these figures show that the leeway is rapidly being made up. If consumption continues to increase at the present rate, and there are no signs of its failing to do so, the country should become shortly one of the most completely and efficiently electrified in the world.

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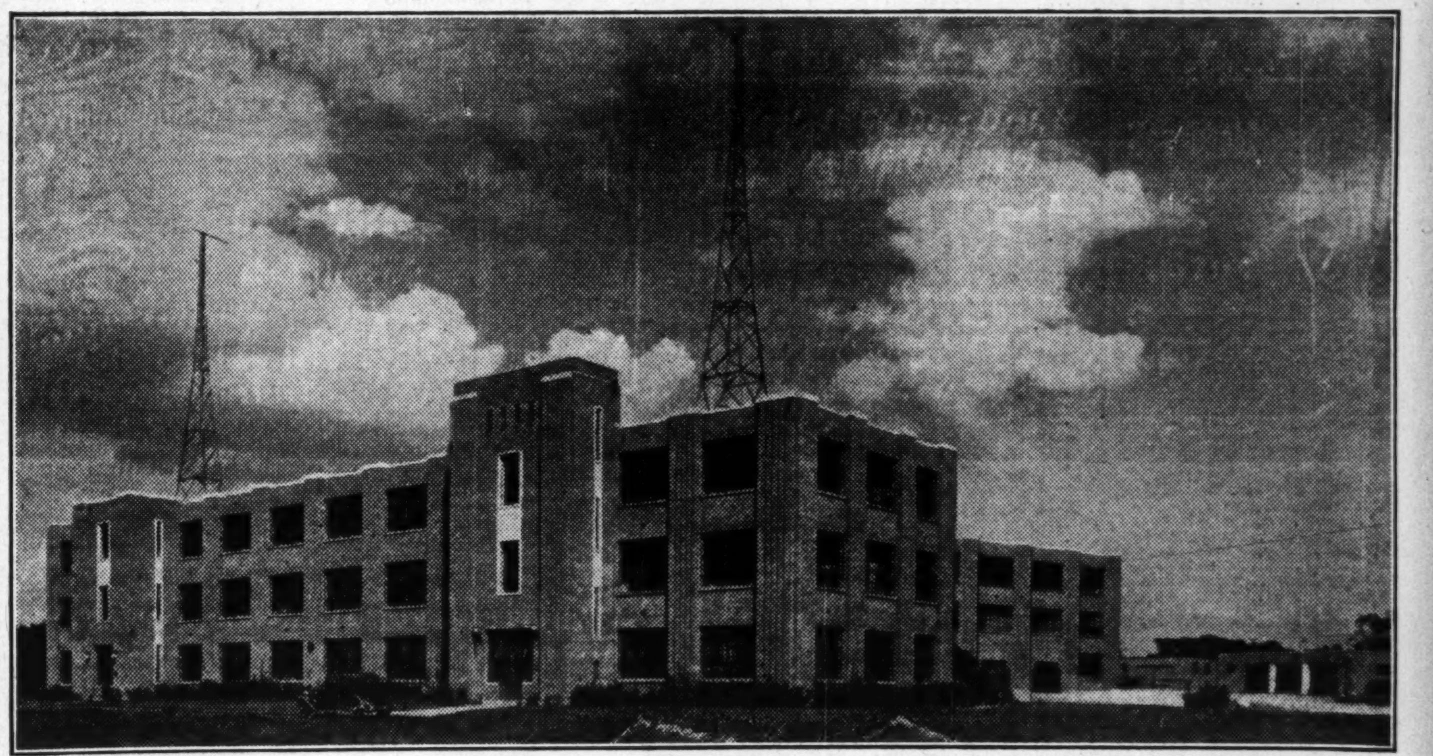

Ross and Macdonald Architects

Radio Factory, Canadian Marconi Company, Mount Royal, P.Q.

The Modern Sky-Line

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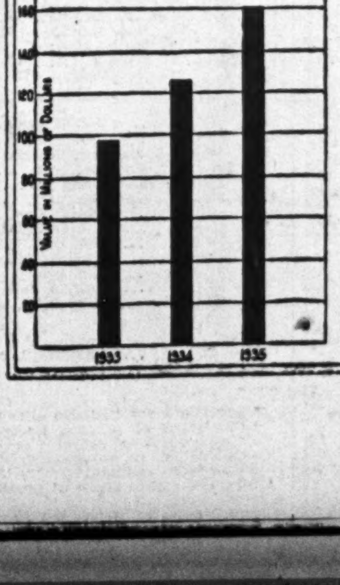

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STOCK AND BOND MARKET QUOTATIONS

This table is confined to official prices for listed stocks. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

Montreal, Toronto, Curb

WEEK ENDING APRIL 27

Range 1936 High	Low	Div R'te $	Apr25 Y'ld %		Sales	Last Apr. 20	Week end. Apr. 27 H	L	Cl'se
				A					
2.50	1.25	*	...	Abitibi	1584	1.50	1.75	1.55	1.60
13	6¾	*	...	Do. pref. 6%	830	9	9¾	9	9
12½	6¾	*	...	Do. cert. rep.	30	9	9	9	9
4½	4½	*	...	Acadia Sugar	64	4½	4½	4½	4½
18	12	*	...	Acme Glove	15	17	15	15	15
10	8½	40c	4.7	Agnew Surp.	....	(8 bid 9 asked)			
107	104	7	6.7	Do. pref.	52	104	105	104	104
6	4	*	...	Alta. Pac. Gr.	50	4¾	4¾	4¾	4¾
39	25	*	...	Do. pref.	35	30	28	27½	28
3	2	*	...	Amal. Electric	....	(3 bid — asked)			
23	14	*	...	Do. pref.	....	(15 bid 20 asked)			
40½	29¾	15c	...	Amer. Cyn. B.	10	36	36	36	36

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)
April 29, 1936

Dominion of Canada Bonds

		Bid Apr. 29	Asked Apr. 29	Approx. Yield	Bid Apr. 22
Dominion . 2	15 Oct. 1936	100.20	100.60	.70	100.20
Dominion . 5	15 Nov. 1936	101.85	102.30	.86	101.90
†‡Dominion . 5	1 Mar. 1937	103.75	104.25	...	104.10
‡Dominion . 5½	1 Dec. 1937	107.50	107.80	.54	107.70
Dominion . 2½	15 Oct. 1939	102.85	103.50	1.48	102.75
Dominion . 4	15 Oct. 1939	107.50	108.00	1.61	107.35
Dominion . 2	15 Nov. 1939	101.25	101.75	1.50	101.25
Dominion . 4½	1 Sept. 1940	110.00	110.50	1.96	110.25
Dominion . 5	15 Nov. 1941	113.15	113.65	2.36	113.15
Dominion . 3	15 Oct. 1942	104.35	104.85	2.20	104.50
Dominion . 2½	1 June 1943	102.50	103.00	2.05	102.50
Dominion . 5	15 Oct. 1943	114.10	114.60	2.82	114.10
Dominion . 4½	15 Oct. 1944	112.15	112.65	2.81	112.15
■Dominion . 2½	15 Aug. '43-45	98.25	98.85	2.62	99.00
Dominion . 4	15 Oct. '43-45	108.15	108.65	2.69▲	108.25
Dominion . 4½	1 Feb. 1946	112.15	112.65	3.00	112.10
Dominion . 3½	15 Oct. '44-49	103.25	103.75	3.00▲	103.35
Dominion . 4	15 Oct. '47-52	107.25	107.75	3.19▲	107.25
Dominion . 3	1 June '50-55	98.70	99.15	3.06	98.85
Dominion . 4½	1 Nov. '46-56	109.65	110.15	3.35▲	109.75
Dominion . 4½	1 Nov. '47-57	109.65	110.15	3.43▲	109.75
Dominion . 4½	1 Nov. '48-58	109.95	110.45	3.46▲	110.10
Dominion . 4½	1 Nov. '49-59	110.05	110.55	3.51▲	110.20
■Dominion . 3¼	15 Jan. '56-61	100.75	101.35	3.16▲	100.75

Dominion Guaranteed Bonds

		Bid	Asked	Yield	Bid Apr. 22
*G. T. P. Ry. 3	1 Jan. 1962	99.25	100.25	2.98	99.50
Can. N. Ry. 3	1 May 1944	102.25	103.25	2.55	102.25
Can. N. Ry. 3	15 Dec. '45-50	98.50	99.50	3.04	98.50
Can. N. Ry. 3	15 Feb. '48-53	97.75	98.75	3.09	98.00
*Can. N. Ry. 4½	1 Sept. 1951	113.25	114.00	3.33	113.25
*Can. N. Ry. 4½	1 Feb. 1956	113.50	114.50	3.48	113.50
†Can. N. Ry. 4½	1 July 1957	111.25	112.00	3.68	111.25
*Can. N. Ry. 4¾	15 June 1955	115.75	116.75	3.55	115.75
Can. N. Ry. 5	1 Feb. 1954	115.50	116.50	3.73	115.50
*Can. N. Ry. 5	1 July 1969	116.50	117.50	3.10▲	116.75
*Can. N. Ry. 5	1 Oct. 1969	118.00	119.00	3.51▲	118.25
*M. Harb. C. 5	1 Nov. 1969	118.50	119.50	3.50▲	118.50

Provincial Government Bonds

		Bid	Asked	Yield	Bid Apr. 22
Eastern—					
N. Bruns. .. 4	1 Sept. 1954	103.50	104.50	3.66	103.50
†N. Bruns. .. 4½	15 Apr. 1961	109.00	110.25	3.86	109.50
†N. Bruns. .. 5	15 Jan. 1960	114.00	115.50	3.96	114.50
N. Scotia .. 3	2 Sept. 1945	99.00	100.00	3.00	99.00
N. Scotia .. 4½	15 May 1943	107.50	108.50	3.15	107.50
†N. Scotia .. 4½	15 Sept. '47-52	110.00	111.25	3.32▲	109.75
†N. Scotia .. 5	1 Mar. 1960	115.00	116.50	3.93	115.25
*Ontario 4	1 June 1962	103.00	105.00	3.70	103.00
*Ontario 4½	1 Sept. 1944	110.25	111.25	2.99	110.25
Ontario 4½	1 June 1950	108.50	109.50	3.65	108.50
*Ontario 4½	15 Jan. 1962	108.50	110.50	3.86	109.50
Ontario 5	15 Oct. 1948	110.75	111.75	3.81	111.25
*Ontario 5	2 Dec. 1960	117.50	118.50	3.84	117.50
Ontario 5½	1 July 1946	113.50	114.50	3.81	114.25
O. H. C. 3½-4-5	1 Oct. '33-52	101.25	102.25	4.27•	101.25
Ont. Hyd. C. 4¾	1 Jan. 1970	111.00	112.00	4.09	110.75
P. E. I. 3	1 Oct. 1945	99.00	100.00	3.00	99.00
Quebec 4	15 Mar. 1952	106.50	108.00	3.35	107.00
Quebec 4¼	1 Aug. 1958	109.50	111.00	3.53	110.00
Quebec 4½	2 Jan. 1963	111.50	113.00	3.73	112.00
Western—					
Alberta ... 4	15 Dec. '49-54	74.00	77.00	6.05	74.00
†Alberta ... 4	1 Dec. 1957	75.00	78.00	5.78	74.00
Alberta ... 4½	1 Oct. 1951	80.00	82.00	6.34	79.00
†Alberta ... 4½	1 Oct. 1956	78.00	80.00	6.24	78.00
†Alberta ... 5	1 Jan. 1948	78.00	81.00	7.42	79.00
Alberta ... 5	1 Sept. 1955	78.00	81.00	6.77	79.00
*Alberta ... 5	1 Oct. 1959	79.00	82.00	6.52	80.00
†Alberta ... 5½	1 Jan. 1947	80.00	83.00	7.83	80.00
Alberta ... 6	1 Mar. 1947	80.00	83.00	8.40	80.00
†Brit. Col. .. 4	1 Dec. 1957	87.00	90.00	4.73	84.00
*Brit. Col. .. 4½	15 Jan. 1951	90.00	92.00	5.27	88.00
†Brit. Col. .. 4½	1 Oct. 1953	90.00	92.00	5.20	87.00
†Brit. Col. .. 5	15 Jan. 1948	93.00	95.00	5.57	90.00
Brit. Col. .. 5	1 Sept. 1953	92.00	94.00	5.54	89.00
Brit. Col. .. 5½	1 Feb. 1945	93.00	95.00	6.25	91.00
Brit. Col. .. 6	15 Feb. 1947	94.00	96.00	6.52	92.00
Manitoba .. 4	2 Jan. 1950	95.00	97.50	4.24	94.00
†Manitoba .. 4	1 Dec. 1957	95.00	97.50	4.17	94.00
†Manitoba .. 4½	15 Dec. 1956	99.50	101.00	4.43	98.00
†Manitoba .. 5	15 June 1954	103.00	105.00	4.59	101.00
*Manitoba .. 5	2 Dec. 1959	104.00	106.00	4.58	102.00
Manitoba .. 5½	1 Oct. 1955	103.50	104.50	5.13	101.00
Manitoba .. 6	1 Apr. 1947	104.50	106.00	5.27	102.00
Sask. 4	15 Aug. 1953	85.00	86.00	5.23	85.00
Sask. 4	1 Nov. '55-60	84.00	86.00	4.97	84.50
*Sask. 4½	2 July 1945	93.00	95.00	5.17	92.00
†Sask. 4½	1 Oct. 1951	92.00	93.50	5.11	92.00
†Sask. 4½	15 Mar. 1960	90.00	92.00	5.08	88.00
Sask. 5	1 Aug. 1958	92.00	94.00	5.47	92.00
†Sask. 5½	15 Nov. 1946	95.00	97.00	5.87	95.00
Sask. 5½	1 Oct. 1952	95.00	97.00	5.78	95.00
Sask. 6	15 Mar. 1952	97.00	99.00	6.10	97.00

Municipal Bonds

		Bid	Asked	Yield	Bid Apr. 22
†Calgary ... 5½	2 June 1944	....	80.00	9.00	....
†Edmonton . 5½	1 Nov. 1945	....	84.00	7.93	....
†Halifax ... 5	1 July 1961	112.00	114.00	4.11	112.00
Hamilton .. 5	1 May 1950	107.25	109.25	4.12	107.25
Ottawa 4½	1 Mar. 1945	102.00	103.00	4.57	102.00
†Quebec 5	1 July 1945	107.00	109.00	3.33	107.00
Regina 5	1 June 1959	104.50	105.50	4.62	105.50
St. John ... 5	1 July 1944	80.00	85.00	7.49	80.00
†Toronto ... 4½	15 Dec. 1950	107.00	108.00	4.28	107.50
Vancouver . 5	1 Jan. 1955	108.50	110.50	3.72	109.00
Victoria ... 5	1 June 1969	85.00	90.00	5.67	87.00
Winnipeg .. 5	21 July 1945	88.00	92.00	6.15	88.00
Montreal .. 5	1 Mar. 1944	100.00	102.00	4.69	100.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ■Payable in N.Y.

Mining Stock Quotations

WEEK ENDED APRIL 27, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close Apr. 20 (or last)	High for week	Low for week	Close Apr. 27
1	.82	.54	Afton	27,150	.68	.74	.66	.66
No	.16	.07	Aldermac	18,741	.11	.11½	.09½	.09½
1	.03¾	.01½	Alexandria	36,100	.02½	.02½	.02	.02½
No	.10½	.03¾	Algoma	36,700	.08¾	.09	.08	.08
No	4.95	4.10	Anglo-Huronian	819	4.60	4.90	4.65	4.80
1	1.39	1.15	Argosy Gold	34,150	1.25	1.39	1.20	1.25
No	.12	.02	Arno	26,660	.08	.08½	.07½	.08
1	.97	.65	Arntfield	5,500	.87	.86	.84	.86
1	.25	.08½	Ashley	13,500	.10	.10	.08½	.09½
1	.06½	.02¾	Astoria Rouyn	18,500	.05¾	.05½	.04¾	.04¾
1	.11¾	.05½	Bagamac	60,600	.07½	.07½	.07	.07¼
1	.07	.03½	Barry Hollinger	29,000	.04¾	.04½	.04	.04
1	.40	.21	Base Metals	9,100	.22	.24	.22	.22
1	.50	.28	B.E.A.R.	5,100	.40	.42	.39	.40
No	1.84	1.30	Beattie Gold	15,561	1.37	1.52	1.35	1.40
1	.45	.30	Beaufor Gold	21,200	.31	.40	.31	.36½
1	.76	.58	Big Missouri	19,677	.62	.62	.58	.59
1	.24	.13	Bobjo	26,157	.13½	.15	.13½	.15
No	7.85	5.55	Bralorne	2,028	7.35	7.50	7.00	7.30
1	.40	.20	Brazil Gold	1,000	.20	.21	.20	.21
1	.06	.02	Brett Trethewey	17,500	.04½	.05	.04½	.04½
50c.	.25½	.09	B.R.X. Gold	10,500	.17	.20	.15	.17
1	.02¾	.01	Brownlee	68,700	.01	.02¾	.02	.02
1	6.50	3.80	Buffalo Ankerite	4,182	4.90	4.95	4.70	4.95
No	.11½	.02	Buffalo Can.	42,100	.09½	.09½	.08	.08
5	37.00	31.00	Bulolo Gold	1,050	31.50	32.00	31.00	31.50
No	.18	.06	Bunker Hill	7,200	.12½	.12	.11	.11
No	1.45	.95½	Can. Marlartic	16,825	1.13	1.13	1.08	1.10
1	1.60	1.15	Cariboo Gold	425	1.44	1.44	1.42	1.44
1	.05	.02	Cartier Malartic	5,100	.04½	.04½	.03½	.03½

Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)
April 28, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Apr. 28	Asked	Bid Apr. 21
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois	5½	'73	82	85	82
Beauharnois	5	'73	26	29	26½
*Bell T'phone	5	'56	115	118	114½
*Do.	5	'57	120	123	119
†B. C. Power	5	'60	103	106	103½
†Do.	5½	'60	104½	107½	105
†B. C. T'phone	5	'60	105	108	105½
†Calgary Pwr.	5	'60	96½	99½	98
Do.	5	'64	93	96	95
†Can. Nor. Pr.	5	'53	103½	106	103½
Dom. Gas	6½	'45	86	89	87
§Duke-Price Pr.	6	'66	105	106	105½
*Gatineau Pwr.	5	'56	95	98	96
*Do., A	6	'41	88	91	88½
*Do., B	6	'41	87	90	86½
*Int'l. Hydro	6	'44	40	43	41½
†Maclaren-Que.	5½	'61	82	85	85
Do.	5½	'64	81	84	83
*Manitoba Pwr.	5½	'51	79	82	80½
†Mtl. Island Pr.	5½	'57	103½	106½	103½
†Montreal Pr.	3½	'56	101	103½	101
†Mont'l. Tram.	5	'55	83	86	84½
†Do.	5	'41	100½	103½	101½
Nat'l. L. & P.	6	'49	96	99	96½
†N.S. L. & Pr.	5	'58	104	107	104
†Ottawa Light	5	'57	106	109	106
†Ottawa Val. Pr.	5½	'70	77	80	80
†Power Corp.	4½	'50	94½	97½	95
*Quebec Pwr.	5	'68	104	107	103½
†Shawinigan	4½	'70	102	105	103
†S. Canada Pr.	5	'55	105	108	105
†United Secs.	5½	'52	83	86	83
*Winnipeg Elec.	6	'54	81	84	82½
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	42½	45½	45½
†Acadia Sugar	4½	'55	99	102	99½
†Alta. P. Grain.	6	'46	97	100	...
‡Asbestos Corp.	5	'42	101½	...	101½
B. A. Oil	4	'45	104	106	103½
Can. Biscuit	6½	'46	22	25	22½
Canada Bread	6	'41	108½	...	108½
†Can. Cement	5½	'47	105½	108½	105½
†Can. Paper	6	'45	102½	...	102½
‡Can. Ss. Lines.	5	'43	102½	...	102½
Do.	6	'41	54½	57½	56
†Can. Canners	6	'50	105½	107	105½
*Can. Int. Pap.	6	'49	83	86	..
C. P. R.	4½	'44	100	103	101
Do.	4	'49	102	105	104
Do.	3½	'51	92½	95½	95
Can. Rail & H.	6½	'51	60	63	53
†Can. Vickers	6	'47	88	91	89½
Cons. Paper	5½	'61	27	30	32
†Dom. Canners	6	'40	113	114	111½
†Dominion Tar	6	'49	103½	106½	103½
†Donnacona P.	5½	'48	68	71	70
†East. Dairies	6	'49	83	86	85
†Fam. Players	6	'48	105	106	103
†Do.	6½	'48	105	106	103
†Federal Grain	6	'49	98½	101½	97½
Fraser Cos.*	6	'50	110	113	107½
†G. Steel Wares	6	'52	100	103	100½
Gt. Lakes Pap.	6	'50	47	50	50½
†Gypsum, Lime.	5½	'48	95½	98½	96
Ham. Cottons.	5½	'48	102	...	102
*Hinde & Dauch	5½	'48	102½	...	102½
Inter City Bak.	5½	'48	103	...	103
Inter-City W. Bakeries	6½	'50	38	41	30
Kingston Elev.	6	'50	95½	98½	95½
Lake St. John P. & Pa.	6½	'47	93	96	94
†Lon. Can. Inv.	4½	'48	89	92	90
London Rlty.	6	'50	94	97	93½
†Massey-Harris.	5	'47	90	93	91
McColl-Front.	6	'49	104½	107	105
†Mercury Mills.	5½	'53	64½	67½	65½
Met. Building	7	'44	100	...	100
M. & O. Paper	6	'45	27	30	31
Mtl. Dry Docks	6	'48	80	84	81
N. Ont. Bldg.	6½	'39	96	100	97
Ontario Bldg.	6½	'43	34	37	34
Price Bros. bds.	6	'43	123	126	122
*Prov. Paper	5½	'47	101½	104½	101½
Queen's Hotel.	6	'47	93	96	92
*Reliance Gr.	6	'48	103	106	103
Rich. B. Bldg.	6½	'47	97	100	97½
‡Riordon Pulp	6	'42	104½	...	104½
Ritchie Cut Stone	6½	'48	95	...	95
†Rolland Paper.	5½	'48	104	107	104
Ruddy & Co.	6½	'48	99	102	99
†Simpsons Ltd.	6	'49	104½	107	104½
Do.	5½	'49	102½	...	102½
†Smith, How'd.	5½	'53	104	107	104
‡Steel of Can.	6	'40	113	...	112½
Toronto Carpet	6	'44	103	...	103
United Corpns.	5	'53	94	97	94
United Grain	5	'48	97½	100½	97½
Do.	5½	'49	102	105	102
Zimmerknit	6	'51	95	...	96

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. •Unstamped.

Winnipeg Stocks

(Transactions from Apr. 19 to Apr. 25)

	Sales	High for period	Low for period	Close Apr. 25
Bailor Gold	14,100	.03¾	.03	.03¾
Can. Rand	5,600	.12	.08½	.09½
Dom. Envelope	10	1	1	1
Cres. Cream.	14	35	35	35
City Dairy, A	10	5	5	5
Dom. Envel. pf.	10	90	90	90
Flin Flon	7,050	.24	.22	.24
Gold Lake	5,900	.39	.36	.38
Gurney Gold	300	.42	.42	.42
Island Lake	1,800	.04	.03½	.03½
Knee Lake	2,000	.03½	.03½	.03½
Nor. Can. Mtge.	10	5	5	5
Oxford Mines	400	.22	.20	.22
Ore Grande	2,900	.08½	.08	.08
Pelissiers, c.	100	.25	.25	.25
Rice Lake	4,000	.06	.05½	.06
Rice L. Units	30	3½	3½	3½
Traders Bldg.	28	72	72	72
United Grain	15	14	14	14
Wingold	6,570	.07½	.06	.06
Wylie Dom.	3,700	.33	.32	.33
Wallace Lake	2,700	.02	.02	.02

Stocks Not Traded in During Week

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	131	..
Comm. Securities	..	10
Home Invest.	25	..
Pelissiers, pref.	25	50
West. Steel, pf.	5	6½
West. Brew.	..	2

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close Apr. 27	Yield %
Anglo-Huronian	20c	4.80	..
Beattie Gold	†5c	1.40	..
Bralorne	10+5	7.30	..
Buff. Ankerite	20c	4.95	..
Bulolo Gold	2.60	31.50	8.2
Cariboo	10c	1.44	6.9
Coniagas†	12½c	3.30	..
Cons. Smelters	$2.50+$4	268.00	..
Dome Mines	$2+$2	48.75	8.2*
Falconbridge	30c	8.10	3.7
Hollinger	65c+25c	14.37	6.2*
Howey Gold	5c	.60	..
Hudson Bay	$1	24.00	..
Int. Coal & Coke‡	1c	.20	..
Inter. Mining	60+5	12.12	5.4*
Int. Nickel, c.	$1	46.50	2.1
Kirk. Lake‡	3c	.42	..
Lake Shore	$2+$2	53.25	7.5*
Macassa	15c	3.60	..
McIntyre	$2	41.25	4.8
McKinley Sec.	2½c	.50	..
McWatters Gold†	5c	1.28	..
Nipissing	25c	2.55	..
Nor. Can. Mining	2c	.35	..
Noranda	$2	52.50	3.8
Pickle Crow†	5c	6.25	..
Premier	12c+1c	2.25	5.7*
Pioneer, B.C.	80c	9.90	8
Reno	12c+2c	1.15	12.1*
San Antonio	21c	2.26	9.3
Siscoe	20c+1c	3.33	6.3*
So. Amer. Gold	30c	6.00	5
Sylvanite	20c	2.30	8.7
Teck-Hughes	40c	4.55	8.8
Toburn	8c	1.30	6.2
Ventures	†2½c	..	..
Wright-Har.	40c+20c	7.65	7.8*
Ymir Yankee†	2c	.45	..

‡Interim. †Initial. *Yield includes bonus.

Investment Trusts

	Bid	Asked
Trans-Canada	11.80	12.55
All Can. Com. Trustee Shs.	11.50	12.25
Grouped Income	5.50	6.00
Can. Invest. Fund	4.35	4.45
Can. Amer. Trust	4.00	4.35

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)
April 28, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	4.05	4.60
Do., pfd.	4.75	5.05
Acme Farmers Dairy, pfd.	37.50	40.00
Algoma Steel, new com.	47.00	50.00
Do., pfd.	60.00	65.00
Andian National	48.00	50.00
Assoc. Tel. & Tel., pfd.	44.00	47.00
B. C. Pulp & Paper, com.	.75	1.50
Do., pfd.	6.00	8.00
Burns & Co., A	10.00	12.00
Do., B	5.25	6.25
Canada & Dom. Sugar	58.50	60.00
Canada Starch pfd.	91.00	93.50
Canada Tea pfd.	35.50	...
Can. Tube 1st pfd.	49.25	...
Can. Wire & Cable, pfd.	99.50	102.00
Can. Industries A com.	213.00	...
Do., B com.	212.00	...
Do., pfd.	158.00	161.00
Can. Ingersoll Rand	116.00	122.00
Can. Pr. & Paper Inv. pfd.	6.00	...
Can. Westinghouse	62.00	64.00
Chase, A. W., pfd. bonus	25.00	26.25
Conduits Nat., new com.	3.00	...
Dom. Found. & St. c. (new)	33.75	36.00
Do., pfd. (new)	86.00	90.00
Dom. Rubber pfd.	98.00	101.00
Dunlop Tire, pfd.	64.00	67.50
East. Dairies, pfd.	12.00	14.00
Edm. City Dairy, pfd.	60.00	...
Federal Grain, com.	2.50	3.50
Do., pfd.	...	57.50
Goderich Elevator	8.25	9.50
Greening Wire, pfd.	104.50	106.50
Guelph Carpet, pfd.	104.00	106.25
Do., com.	16.00	17.25
Highland Dairy, com.	2.50	3.00
Do., pfd.	77.50	83.00
Inter. City Baking, com.	25.25	29.00
Inter. Met. Indust. A pfd.	33.00	37.00
McLaren Power, com.	10.00	11.50
Morrow Screw, pfd.	93.00	...
N. Meth. Laund. pfd. bonus	77.00	80.50
Provincial Paper, pfd.	99.00	101.50
Reliance Grain, pfd.	85.50	88.00
Rob. Cons. Cone	8.75	9.50
Ruddy, E. L., pfd.	40.00	...
Silverwood's Dair., pfd.	39.00	...
Std. Fuel pfd. bonus	105.75	108.00
Supertest Pet. B pfd.	27.50	29.00
Toronto Carpet, com.	30.50	...
Do., pfd.	38.00	...
United Steel A pfd.	5.25	6.00
Western Grain, pfd. bonus	17.00	20.00
Western Grocers, pfd.	109.00	111.00
Trust & Loan Stocks:		
Chartered Trust	79.00	83.00
Guelph Ont. Inv. Sav.	46.50	51.00
London & West. Trust	52.50	...
Sterling Trust	36.00	...
Trad. Fin. B, 7% pfd. bonus	76.00	81.00
Trusts & Guarantee	40.25	41.50
Insurance Stocks:		
British America	41.00	43.50
Canada Life	527.00	537.00
Canadian Fire	76.00	82.00
Can. Ins. Shares com.	12.75	15.00
Confed. Life, 20% pd.	116.00	...
Cont. Life, 20% pd.	37.00	40.00
Crown Life	106.00	...
Dominion Fire	116.00	...
Dominion Life, 50% pd.	260.00	300.00
Dom. of Can. Gen.	118.00	...
Empire Life, 25% pd.	7.00	8.50
Excelsior Life, 30% pd.	69.00	72.50
Federal Fire, 25% pd.	40.00	...
Fidelity of Can.	47.00	51.00
Great West Life	387.00	398.00
Guar. of N. A., fully pd.	250.00	...
Halifax Fire	21.00	22.50
Imperial Life	335.00	...
Manufacturers Life	264.00	270.00
Monarch Life, 10% pd.	19.50	21.50
National Life, 25% pd.	46.00	51.50
Sovereign Life, 25% pd.	17.00	20.00
Sun Life	495.00	515.00
Toronto General	4.60	5.40
Western Assur., com.	42.50	...
Do., pfd.	39.75	42.00
Theatre Stocks:		
Allens Beach, pfd.	58.00	63.00
Do., Calgary, com.	5.50	7.00
Do., Kingston, pfd.	60.00	...
Do., Parkdale, pfd.	46.50	50.00
Do., Toronto, pfd. bonus c.	28.50	32.50
East. Theatres, com.	3.75	5.00
Do., pfd.	75.00	80.00
Loew's London, pfd.	2.50	3.50
Do., Toronto, pfd.	111.50	115.00
Mansf. Theatre, pfd.	30.00	...
Para. Kitchener, pfd.	42.00	...
Do., Oshawa, pfd.	85.00	95.00
United Amusement, A	17.00	20.00
Do., B	16.00	18.00
Investment Trust Shares:		
Can. Gen. Invest.	8.05	8.35
Can. Investors Corp.	7.50	8.15
Can. Int. Inv. Tr. Units	58.00	...
Cons. Div. Std. Sec. Units	13.50	15.00
Debenture & Sec., pfd.	52.50	...
Dom. Scott. Inv. Units	29.50	31.50
For. Power Sec., pfd.	13.50	15.50
Invest. Found. Units	51.50	53.50
Sec. Holding Units	23.00	26.00
United Corpns., A	23.50	24.50
Do., B	9.50	10.25
Power Issues:		
Calgary Power, pfd.	78.00	81.00
Can. Light & Pr., com.	20.00	23.50
Can. Pub. Service, pfd.	22.50	26.00
Can. West. Nat. Gas, pfd.	95.50	98.50
Do., com.	27.50	...
Great Lakes Pwr., pfd.	88.00	92.00
Inter. Util., 7.00 pfd.	78.00	...
Nor. Ont. Power, pfd.	99.50	102.00
Nova Scotia L. & P., pfd.	100.00	103.00

Unlisted Mines

April 28, 1936

	Bid	Asked
Albany River	.38	.40
Ardeen	.23	.26
Arno	.07½	.08½
Athona (Gt. B. L.)	.41	.45
Bailor	.03½	.04½
Bidgood Kirkland	1.38	1.43
Bankfield Gold	.43	.46
Big Master	.37	.40
Blue Star	.32	.34
Bosquet Gold	.15	.17
Can. Kirkland	.02¼	.03¼
Capital Rouyn, new	..	.14
Casey Contact	.04	.05
Canusa Mining	.22	.25
Central Porcupine	.20	.23
Chromium	1.90	2.00
Condor	.08	.10
Cuniptau	.26	.29
Dunlop, new	.10	.11
Dorval Siscoe Gold	.17	.19
El Bonanza	.06	.08
East Malartic	.31	.33
Galatea	.06½	.07½
Gilbec	.07	.08
Gold Eagle	.45	.48
Goldside	.12	.13
Greenlaw	.05	.06
Horseshoe	.06	.07
Hudson Patricia	.17	.19
Jellicoe	.08½	.09½
Johnson Nipigon	.05½	.06½
Kaw Crow	.23	.26
Keora Mines	.06	.08
Lafayette L. Lac	.05½	.06½
Long Lac Lagoon	.07	.09
Lamaque Gold	3.50	3.70
Leitch Gold	.57	.62
Madsen Red L.	.42	.44
MacL. Cockshutt	1.15	1.20
Magnet Lake	.06	.07
Matachewan Can.	.16	.18
McCarthy Webb	.14	.16
Mosher	.17	.19
Moffatt Hall	.11½	.12½
Moffatt Hall (new)	.42	.45
Manitoba Basin (new)	.05½	.06½
North Shores	.03½	.04½
Norlake	..	.34
Oklend	.23	.25
O'Leary	.09½	.11
Opemiska Copper	1.20	1.30
Opemiska Mines	.14	.16
Oriole	.09	.10
Pascalis	..	.21
Proprietary M.	..	.38
Phoenix	..	.40
Rice Lake	.05	.07
Sladen	.36	.39
Slave Lake	.35	.34
Skookum	.19	.21
Smelter Gold	.06½	.07½
South Keora	.10	.12
Springer	.08	.10
Straw L. Beach	.10	.12
Sturgeon R. Gold	.47	.50
Thompson Cadillac (new)	.26	.28
Wells Long Lac	.04	.06
Wingold	.07	.09
Wendigo	.18	.20
Young Davidson	.24	.26
Young Shannon	.11	.12

Listed Bonds

Week Ended April 27, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs	3	'39	50⅛	50⅛	51	50
McNish	6	'48	3.15	..	3.75	3.00
Unlisted:						
Cons. Paper	5½	'61	32½	..	35	30
Duke-Price P.	6	'66	105¼	..	105¼	..

Bank Chat

Currency Inflation

FEAR, bitterness and despair beyond all measure are the end of inflation."

The statement is that of Dr. Hjalmar Schacht, head of the German Reichbank, who ought to know, since he had an intimate experience with inflation during the German post-war period.

Dr. Schacht's statement was recently quoted by F. C. Biggar, secretary of the Canadian Bank of Commerce, in an address at Winnipeg.

Said Mr. Biggar:

"A number of Canadians believe that there is an actual shortage of money in this country today, and that the depression is being prolonged from this cause.

"They claim banks keep money scarce so that a higher rate of interest may be charged. It is, they say, in consequence of the bankers' heartless selfishness that the sufferings and deprivations of many of our fellow-citizens are intensified.

"Having convinced themselves as to the cause of our troubles, these critics submit a great variety of proposals for their cure that involve an expansion of the note circulation of the Bank of Canada by some huge sum, say at least several hundred million dollars.

"We bankers believe that the evidence is ample and obvious that Canada is not suffering from a money shortage.

"We think also that everyone must recognize as clearly as we do the dangers inherent in a policy of currency inflation. For these reasons we feel that such proposals cannot possibly gain public support, and we are inclined to dismiss them as unworthy of serious consideration."

Mr. Biggar told his Winnipeg audience that while bankers, to whom he was speaking, clearly recognized the danger of inflation of currency, there is no basis for assuming that the general public will do the same. He painted a graphic picture of what inflation could mean to Canada. It might be summarized in the words of Dr. Schacht and it fully confirmed Dr. Schacht's view.

* * *

Sir Thomas Chapais

SIR THOMAS CHAPAIS, new director of La Banque Canadienne Nationale, is a man of many parts.

Most bankers are versatile, since a wide knowledge of the world's affairs, economic and otherwise, is prerequisite to a successful banking career.

Sir Thomas, however, is not only a banker of note, but a historian and legislator.

He has been a member of the Quebec legislature since 1892. He became a cabinet minister in 1893, speaker in 1895, president of the council in 1896, and minister of colonization and mines in 1897, a rapid rise and probably unequalled by any other provincial legislator.

Sir Thomas entered the Senate in 1919, and in 1930 was a delegate to the League of Nations conference at Geneva. As a historian of French Canada, his works include "Jean Talon," "Montcalm," and his lessons on "The History of Canada," in four volumes. He wears the decorations of a Chevalier of the Legion of Honor, and a Commander of the Order of Saint Gregory the Great.

* * *

A Stable Market

CHAIRMEN of British banks appear to be in general agreement regarding the substantial character of economic recovery in Great Britain, including reduced unemployment and expansion of industrial operations.

There is a direct relationship between trade improvement in Great Britain and the economic welfare of Canada. As the Victoria Times, B.C., remarks:

"After all, the British market absorbs about two-fifths of all our exports, and has proved the less variable of our two great markets, the other, of course, being the United States. By absorbing a growing volume of Canadian products at higher prices, the British market has played a vital rôle in the improvement of business in Canada."

The fly in the ointment is the tariff question, and on this point British bankers are anything but optimistic. They see little prospect of enlarging the movement of goods between nations so long as there is a prevailing trend toward economic nationalism and increasing nervousness over political insecurity.

E. B. Orme, chairman of Martins Bank, England, is quoted as saying:

"It is obvious that the doctrine of self-sufficiency cannot be continued indefinitely. We shall, sooner or later, arrive at a position of stalemate so far as world trade is concerned, for world trade consists of the exchange of goods."

Similar views are expressed by other British senior bank officials, who voice their surprise at the extent of the trade improvement in the face of continuing high tariffs.

* * *

On a Silver Platter

FEW things are more certain in the life of a Canadian bank manager than moving day and taxes. Week after week, The Financial Post publishes the new appointments, transfers, managerial changes and so forth which mean so much to individuals and communities alike.

Recently, the respected bank manager of a leading Ontario town was moved to Toronto. He had spent five years in his Ontario charge — five difficult years in which he had gained esteem and admiration from his fellow-citizens, even if there had been very little by way of good profits and big balances in his accounts.

When the day for leaving came, his friends and customers gathered in his office to do him honor and presented him with a silver tray. In making the presentation, they told him more in earnest than in jest that it represented the net total of the profits they had made during his five-year tenure as manager.

Aberhart Explains Default of Alberta

Says Alberta Only Government to Face Insolvency Common to All — Social Crediter Defends Course

Here is the text of a recent address given by Premier William Aberhart, of Alberta, to the Canadian Club of Vancouver.

I am supposed to speak to you upon the subject "A Technical Default." To begin with may I say this. If there is anyone that should know something about a technical default, as premier of Alberta, I am that man. I have been forced to face the thing on two occasions within the last four months, in a most vigorous and sanguine fashion. I ought to know something about it.

My first experience was during the month of January this year. We had a maturity come due on the fifteenth of the month and I faced the ordeal on that occasion, escaping only by a hair's breadth. The province had no money on that date to meet this obligation. Our treasury had been left depleted. We were told that a new issue of our bonds could find no market. It was a hectic time. What could we do?

Shunned Loan Council

We offered to co-operate in every way possible, except to give over our autonomous rights regarding our credit. We clung tenaciously to our provincial birthright. We could not agree to the proposed loan council.

Finally we paid over all the money we could raise, and Ottawa covered the balance on the issuance of our 4 per cent treasury bills for the amount, and the crisis was over for the time being.

Since that time Saskatchewan and British Columbia both have had maturities fall due. I have enquired how it was that these provinces had such little trouble compared with that of Alberta, and I was told that there was a secret hidden in that. A secret, well! these secrets sometimes are costly. All I can say is that we have no one to enter into any secret understanding with us. All our negotiations and proposals have been brought into the limelight of public opinion and criticism.

Crisis in April

On the first of April, our next maturity fell due. You understand, of course, that we had nothing to do with the origination of these obligations. Previous legislatures had borrowed and spent the money represented by these debts. I do not mean by this that the province did not owe the money. However as we had only been in power for eight months and had already faced a previous maturity, we had not the time to arrange for any sinking fund, so once more we were without money.

Our people were already in difficult circumstances and were unable to meet some of their taxes. Thus we could find no source of increased revenue. You may therefore well imagine how I felt as the first of April drew near, and our inability to meet our obligation became more and more evident.

Believes in Paying

I have always believed in fulfilling promises and paying debts. I am not favorable to repudiation in any form, and have never been so. I fully believe in all contractual obligations, and the right of the debtor and of the creditor to bargain. But no matter how good our intentions and our principles were we had not the wherewithal to meet the province's obligations. What therefore could we do?

In scathing terms, the government was denounced as despicable, that did not meet its obligations.

But it is to be remembered that even the British government had had to consolidate its war debt to the United States, and that even after meeting two or three of the payments, had finally to default the others, at least technically. Thus Alberta did not need to feel too badly. Happily there was another government that could also be classed as despicable, and we had at least respectable company. You know misery likes company.

Banks' Reductions

We also recalled the fact that but a few years previously the banks had notified their depositors, that henceforth interest would be reduced from 3 per cent and finally to 2 per cent. There was no great fuss made about that. It wasn't despicable: it was simply necessary.

Well on April 1, Alberta faced her technical default, the federal government and the financial houses refusing to assist, and I, as premier, lost my public prestige. I was disgraced. However I had done the best I could, apart from selling the provincial birthright.

Technical Default

The term technical default is not clearly understod by many people. I believe, that the cause of this difficulty is not to be found in the word "technical," but rather in the word "default." Most people, for example, know what a technical error is. It is an error of technique not of will nor of intention. For example the stenographer makes a mistake, or the compositor interchanges a line, or there is some mechanical difficulty. The originator, however, is not to be blamed. He did not intend nor will it.

Most men know what a technical knock-out means. It is not a real knock-out. The man does not go down for the count of ten. A technical knock-out is this. The referee concludes that the opponent is in a helpless condition, and to save further cruelty and suffering he calls it a knock-out, even though it is not actually one.

Not Wilful

Now a technical default is similar to these. The default is not wilful nor intentional. The debtor is quite willing to meet his debt if he could do so. The fact is the debtor is in such a helpless state that to save further suffering, the default is called even though in reality it is not one.

I am sure that you will all understand me when I say that all refunding operations are merely the evasion of technical defaults. The financial houses have come to the rescue. But listen to me, every province in this Dominion could be forced into a technical default, if the financial houses decided to allow it and the federal government would not help. British Columbia may even face it in the near future.

Refunding Maturities

Usually in the refunding operation these houses take up a new issue of stock and the province is able to meet its maturity with the proceeds of this sale. In this operation the province is no less in debt. In fact it is slightly deeper in debt, for the charges must be met. If your premier secures the support of the Dominion in your coming maturity you will not have met your obligation nor will you have any less debt. You will simply have refunded your maturity.

Now a technical default differs from an actual default in that in the former the debtor pays the interest and all but the principal sum. In an actual default he pays nothing at all. Alberta has paid all its interest and everything but the principal sum.

Finances Unsatisfactory

When we came into power in Alberta about eight months ago, we found the financial situation in a very unsatisfactory condition. From what we heard at the Dominion-Provincial Conference in December last, I believe that all the other provinces are in a similar state. The provinces have been recklessly borrowing money, each of them without seeing any possibility of ever being able to pay it back. This they have been doing for years. Each of the provinces was actually trying to borrow itself out of debt.

This you know is an impossible and foolish idea. I care not what anyone thinks of it. It must inevitably lead to a financial collapse.

Growth of Debt

Not long ago I was talking to a friend, and he said, "These depressions are chronic. We need not get fussed up about them. They come and go. We shall soon see better times again."

"Yes," I replied, "but may I call your attention to the fact that while good times may come and go, the debt of our country has continually kept on growing in good times as well as in bad." He had never thought of that.

Alberta has been steadily going deeper and deeper into debt at an average rate of about \$5 or \$6 millions a year. Our total debt is now about \$160 millions. That is about the same as the debt of British Columbia, but you are supposed to be richer and better able to pay high taxes.

Interest Charges

Our interest charges on our bonded indebtedness at the present time amounts to nearly half of our total budget or over \$7½ millions a year. Refunding a debt does not decrease this amount unless you decrease the interest rate, and even then the refunding charges too often swallow it all up.

This state of affairs in Alberta forced us to set to work immediately on the balancing of our budget, so that we could quit borrowing. It was plainly evident to us that any province which does not quit this desperate habit of trying to borrow itself out of debt must in the near future come to a crisis, a complete breakdown.

Cut Costs, Sought Revenues

We therefore curtailed expenditure, cutting it to the bone. Then we canvassed the field for new sources of revenue, keeping in mind the citizens' ability to pay.

We found that the best we could do would still leave us \$2.5 millions out of balance. It was therefore evident that the only way that we could get out of the financial rut in which we found ourselves was by refunding our total debt at a lower rate of interest. But this was a breach of all financial customs. I am satisfied that every province in the Dominion, and even the Dominion herself, shall have to face this matter in the future. But no one seems ready to join us in facing the crisis at the present time.

We have to go the way alone. However we have caught the Alberta situation in time, and we believe that we shall be able to place our province in a sound financial position in the course of six months, and our bonds will be gilt-edged notwithstanding our technical default. We have been sincere in our endeavor, and we hope that our sister province, British Columbia, will also get out of her morass of increasing debt before it is too late.

Three Principles

In conclusion may I say that there are two or three vital principles that we each and all must hasten to learn if we hope to bring ourselves and others into a more happy state.

1. No individual, corporation, or state can hope to borrow itself out of debt. A persistence in this pernicious habit will mean the ultimate destruction of our credit. Your government must face this fact in the immediate future.

2. We cannot go ahead paying the heavy toll placed upon us by the money barons without ultimately losing all we have. Interest rates must come down on a par with the wages of services and the price of goods.

I understand that you are undertaking to build a bridge across the river at an expense of from \$2 to \$3 millions. My proposal to establish a provincial bank for the purpose of providing cheap money for enterprises such as this seems to have met with some disrespect in your province. May I remind you that before you get your bridge paid for it will cost you from \$9 to \$12 millions. State enterprises must be financed by an issue of her own medium of purchasing power.

"Scientific Purchasing Power"

3. We can never raise the standard of living of all our people until we establish a new and scientific method of distributing purchasing power. It is to this task that we are fast hastening in the province of Alberta. The difficulties connected with our technical default have somewhat delayed our progress, but we shall soon be demonstrating by action what we have so often elucidated in talk. I realize that many are saying it can't be done. Surely we should be given an opportunity to try, especially since no one else has a better proposition to make.

GENERAL MANAGER

CHARLES ST. PIERRE

Newly appointed general manager of La Banque Canadienne Nationale, who succeeds the late Ernest Guimont, K.C. Mr. St. Pierre, educated at Mount St. Louis, joined the bank's staff when the institution was known as La Banque d'Hochelaga. in 1902. A member of the inspection department in 1912, he became chief inspector in 1924. He has been one of the assistant general managers since 1935.

Weekly Bank Clearings

	April 23 1936 $	Change year ago %	April 16 1936 $
Halifax	2,223,139	+ 22.1	1,739,917
Saint John .	1,999,508	+ 60.7	1,506,853
Moncton ...	715,505	+ 4.6	580,140
Sherbrooke	656,710	+ 40.8	508,068
Quebec	4,053,462	+ 40.6	4,057,874
Montreal ..	91,962,739	+ 70.2	74,929,325
Ottawa	24,516,841	+ 19.9	11,334,086
Peterborough	587,298	+ 11.0	555,340
Toronto ...	112,626,536	+ 62.2	91,627,543
Hamilton ..	4,767,218	+ 47.4	3,481,146
Kingston ..	536,524	+ 29.7	432,226
Kitchener ..	1,160,238	+ 52.0	860,214
Brantford ..	943,901	+ 42.8	677,134
London	2,791,340	+ 38.8	2,247,323
Windsor ...	3,075,746	+ 62.6	2,432,416
Sarnia	485,359	+ 23.5	359,465
Chatham ..	472,735	+ 29.0	397,860
Sudbury ...	804,078	+ 26.5	760,472
Fort William	559,344	+ 25.9	468,326
Winnipeg ..	57,164,625	+ 63.1	37,211,774
Brandon ...	302,729	+ 24.2	249,596
Regina	4,153,605	+101.0	2,327,275
Moose Jaw .	527,759	+ 27.0	508,590
Saskatoon .	1,397,605	+ 34.5	1,028,419
Prince Albert	321,727	+ 38.3	239,610
Edmonton .	3,630,922	+ 12.2	2,980,763
Calgary	6,164,595	+ 42.6	4,464,546
Medicine Hat	273,159	+ 64.0	319,947
Lethbridge .	486,297	+ 36.0	410,654
N. W'minster	602,352	+ 34.1	531,910
Vancouver .	18,622,459	+ 47.5	15,375,172
Victoria ...	1,661,590	+ 36.9	1,354,465

Canadian Business Growing March Bank Debits Indicate

Evidence of expanded business operations in the five economic areas of Canada is revealed in a 16 per cent gain in Canadian bank debits during March, compared with the same month of 1935.

Acceleration in the pace of business was uniform in Ontario, where each of the 13 centres used as a base showed gains in bank transfers. The net result for the province was a gain of 8.6 per cent, although Toronto exceeded the average with 10.1 per cent.

Financial transfers in the Maritimes rose from \$39.9 millions a year ago to \$46.4 millions in March this year. An increase of 20.7 per cent in Montreal and 16.6 per cent gain in Quebec province reflected the spread of business operations in these sections.

Winnipeg showed the largest individual gain, 57 per cent, and the total for the three Prairie Provinces was 39.5 per cent higher. Vancouver debits rose 25 per cent and British Columbia gained 23.7 per cent.

Speculation a Factor

Bank debits of the Dominion during March, at \$2,599 millions against \$2,236 millions in March, 1935, are regarded in a broad sense as significant of expanding business tendencies.

Dollar volume in the first quarter of this year at \$8,358 millions against \$7,007 millions in the same period of 1935, was due, however, to greater activity in speculation as well as commercial business. This is particularly noticeable when bank debits for March are adjusted seasonally in relation to the preceding month.

If this adjustment is taken into consideration, bank debits for last month are down 13.6 per cent from the high level of February.

On the other hand, the adjusted total for the Maritime Provinces was practically maintained. British Columbia, the Prairie Provinces, Ontario, Toronto, Winnipeg, and Vancouver, were among the areas to show a seasonally adjusted decline for the month. The adjusted index of bank debits was 111.3 in March against 128.9 in February.

Speculative trading was less active in March than in February, but showed a considerable gain over March, 1935, and this in turn is reflected throughout the compilation.

Deposits are Higher

Percentage of bank debits to deposits was 126.7 in March against 115.0 in the same month of last year. Meanwhile, bank deposits advanced from \$1,945 millions to \$2,051 millions.

Significance of the bank debit report for last month is that it indicates no major change in the economic business trend, apart from a lessened activity in speculative operations. Otherwise the figures are regarded by observers as indicating maintenance of the business turnover comparing favorably with February so far as it concerns industry and trade.

Bank of Canada Weekly Statement

Changes in deposits of the Bank of Canada during the week ended April 23, resulted in addition of nearly \$4 millions in Dominion government funds and an equal decline in other banks' deposits. No change of importance occurred in the bank's investment position, but total assets were lower at \$308.6 millions. Reserve ratio was higher at 64.64 per cent.

Comparative figures follow:

Balance Sheet

	Apr. 22 $	Apr. 15 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	92,642,393	92,943,526
Rest fund	173,092	173,092
Dep.: Dominion	23,589,867	19,757,571
Banks	184,921,882	188,823,750
Other	663,497	534,300
Total deposits	209,175,246	209,115,621
All other liabs.	1,672,269	3,964,488
Total liabs.	308,663,000	311,196,727
Assets		
Reserve: Gold	180,349,169	180,581,739
Silver bullion	1,662,827	1,636,496
Res. in sterling ...	1,963,429	956,833
Res. in U. S.	11,132,710	9,481,870
Res. elsewhere ..	5,857	5,245
Total reserve	195,113,992	192,662,183
Subsidiary coin	317,775	271,578
Investments:		
Dom. govt. short ..	27,923,044	27,799,677
Other Dom. govt.	82,902,331	82,743,923
Total invest.	110,825,375	110,543,600
Premises	121,054	120,685
All other assets	2,284,804	7,598,681
Total assets	308,663,000	311,196,727
Reserve ratio	64.64%	63.78%

Staff Changes

J. F. Wurtele has been retired by the Royal Bank of Canada. He was manager at North Gower. He is succeeded by H. O. Balkwill.

R. L. Courtney, succeeding W. J. Swaisland as manager of the Royal Bank of Canada branch in Brandon, Manitoba, has assumed his new duties. Mr. Courtney was born in Prince Albert. He has served 19 years in the bank.

E. A. Fox, former manager of the Bank of Commerce branch at St. Catharines, Ontario, has been named manager of the St. Catharines Chamber of Commerce, succeeding Arthur Robinson, recently appointed manager of the Security, Loan & Savings, St. Catharines.

F. Maurice Marcotte, manager of the Three Rivers, Quebec, branch of La Banque Canadienne Nationale, has been promoted to the managership of the bank's main office in Montreal. Mr. Marcotte joined the Three Rivers branch of the bank in 1918.

Charles L. Worsley has retired from the Ottawa main office staff of the Bank of Montreal after 46 years service with the bank. He served the bank 12 years at Ottawa.

The Bank of Montreal announces the following staff changes:

C. D. Compton, manager at Raymond, to be assistant inspector at the head office.

R. V. Campbell, assistant inspector at head office, to be assistant manager at Hamilton, Ont.

D. H. I. Shildrick, Vancouver, to be manager at Esquimalt, B.C.

R. E. Haack, manager at Esquimalt, to be manager at Merritt.

Caledonia Branch Closes

Caledonia, Ont., branch of the Imperial Bank closed April 15 and Caledonia accounts were transferred to the Bank of Commerce.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Apr. 21	Apr. 22	Apr. 23	Apr. 24	Apr. 25	Apr. 27
U. S. dollar, High	.5906	1.00 11/16	1.00 3/16	1.00 11/16	1.00½	1.00 11/16	1.00 11/16
Low	.5906	1.00⅝	1.00½	1.00½	1.00 11/16	1.00 7/16	1.00 9/16
1935, High	.5906	1.00 7/16	1.00 11/16	1.00 9/16	1.00 9/16	1.00¾	1.00 11/16
Low	.5906	1.00 11/32	1.00 7/16	1.00 11/32	1.00 11/32	1.00⅝	1.00 9/16
U. K. pound	4.8665	4.96½	4.96	4.95¾	4.96	4.96¼	4.95
Argentina	.4246	.2765	.2770	.2764	.2769	.2768	.2759
Australia	4.8665	3.9650	3.9600	3.9888	3.9608	3.9616	3.9534
Austria	.1407	.1889½	.1889	.1886½	.1886½	.1886	.1883¼
Belgium	.1392	.1701	.1699	.1699½	.1698½	.1700	.1700
Brazil	.1963	.0567¾	.0568	.0562¾	.0562¾	.0567½	.0566½
Czechoslovakia	.0296	.0416½	.0416¼	.0416	.0416	.0415¾	.0416
Denmark	.2680	.2218	.2216	.2215	.2215	.2215¼	.2216
France	.0392	.0662¼	.0662	.0661⅞	.0661½	.0661½	.0661¾
Germany	.2382	.4044	.4044½	.4041½	.4041	.4040	.4041
Greece	.013	.0095	.0095	.0095	.0095	.0095	.0095
Holland	.4020	.6321	.6822	.6818	.6816	.6814	.6817
Hungary	.1749	.2980	.2981	.2975	.2975	.2979	.2973½
India	.3650	.3754½	.3754	.3778	.3780	.3754½	.3772½
Japan	.4985	.2904	.2904	.2904	.2904	.2903½	.2904
Jugoslavia	.1929	.0231	.0231	.0231	.0231	.0231	.0231
New Zealand	4.8665	4.0050	3.9999	3.9987	4.0007	4.0016	3.9932
Norway	.2680	.2495	.2493	.2492½	.2493½	.2493½	.2489
Poland	.1122	.1898	.1897	.1894	.1894	.1894	.1892
South Africa	4.8666	4.9414	4.9352	4.9336	4.9361	4.9370	4.9269
Spain	.1929	.1372	.1372	.1372¼	.1372	.1371½	.1369
Sweden	.2680	.2560	.2559½	.2558	.2558	.2559	.2560
Switzerland	.1930	.3276	.3276	.3274	.3274	.3274¼	.3268¼
Hong Kong	.5422	.3316½	.3302	.3291½	.3275¼	.3300	.3279¼

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Conversion Notice

To Holders of 6% First Mortgage Twenty Year Sinking Fund Gold Bonds and of 6½% Twenty Year Gold Debentures of Famous Players Canadian Corporation Limited.

The purchasers of the new First Mortgage and Collateral Trust Bonds Series "A" to be issued by this Company are prepared, while they have any of the new Bonds of the 1951 maturity in hand unsold, to exchange new Bonds of the 1951 maturity for the 6% First Mortgage Bonds or for the 6½% Debentures which have been called for redemption on 1st July, 1936.

The new Bonds of the 1951 maturity bear interest at 4½% and are being offered at 98.50. As the call price on the 6% Bonds and on the 6½% Debentures is 103, the difference of 4.50% will be paid to the holders of the present 6% Bonds or 6½% Debentures making the exchange, together with interest adjustment from the 1st day of June 1936 to the 1st day of July 1936, between which dates the new Bonds of the 1951 maturity bear 4½% interest and the old Bonds 6% and the old Debentures 6½%.

Any holders desiring to make this exchange may do so at the Offices of any of the Dealers whose names appear in the official advertisement in respect of the new Bonds, by presenting their Bonds or Debentures for conversion on or before May 15th, 1936.

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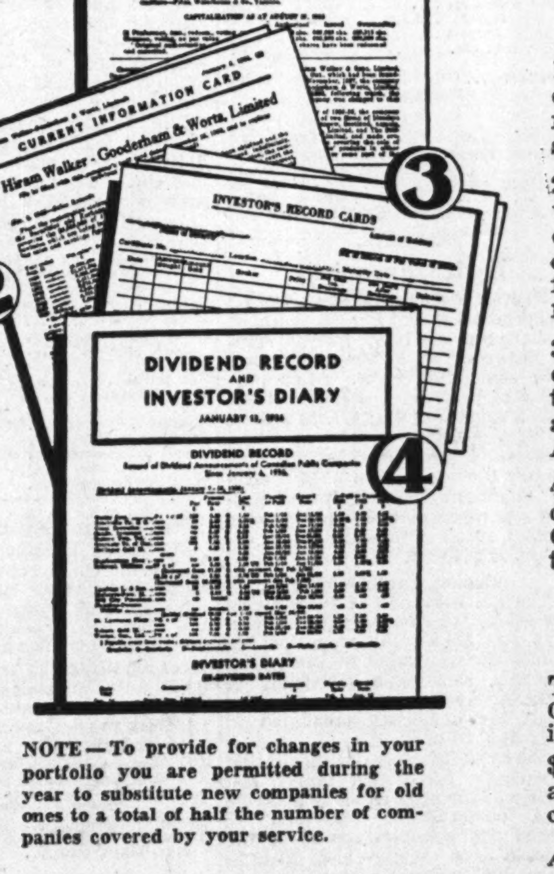

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Inter. Metals Sales Increase

Large Loss in 1935 May Be Offset By 1936 Operations

Recent statement for 1935 of International Metal Industries, reviewed attracts attention because of the increased loss. Apparently, however, the explanations given by the president, A. L. Ellsworth, in report to the shareholders, give hope that the situation is more promising for 1936.

The $606,530 loss was largely due to operations of the Conshohocken, Penna., plant of the John Wood Manufacturing Co., which subsidiary company makes gas and electric hot water heaters, range boilers, coal stokers, pneumatic and fuel oil tanks, underground storage tanks and drums. Even in that plant there was an increase in volume of business but selling prices were sharply reduced by reason of competition. On one major line prices declined 25 per cent. Selling prices dropped below cost of production on another line representing one of the largest unit outputs of the plant. Additions to engineering costs came from completing the development of the new gasoline computing pump.

Makes Many Changes

Engineers since July have studied the plant situation with a view to reducing operating costs. As a result additional construction was made and a different realignment of physical equipment made. Material changes in personnel were also made.

As a result costs have been reduced and unprofitable lines discontinued. Reorganization was still in progress at the end of the year. Favorable results have been attained but major benefits are not expected until May.

Competitive conditions in a major line continue to affect the earnings of the company in 1936 and Canadian operations may be further affected by future reductions in selling prices as a result of recent tariff revisions. Some products in the United States have increased in price and better prices are expected for the major line referred to. A substantially increased demand for the company's products as a whole is reported.

Shipping Law Change Aug. 1

Federal Amendments to Stop Buffalo Wheat Transshipments

From Our Own Correspondent

OTTAWA.—With the exception of the load line regulations covering fresh water shipping, the Canada Shipping Act (1934) will be put into effect August 1st by proclamation.

Amendments now before Parliament are technical and minor and will not alter the provisions of the statute.

The reason load line regulations are being withheld on fresh water is that the vessels concerned will have to be surveyed before the law can be applied. This will take time. Surveys will begin this season.

Enacted in 1934

The new statute was enacted in 1934 but was never proclaimed. It was necessary on several counts. Repeal by Westminster of the Merchant Shipping Act, so far as it governed the Dominions, left an area of jurisdiction for Canada to occupy. Geneva conventions designed to make the work of sailors and longshoremen more safe have been incorporated. Cargo will now have to conform to statutory limitations on size and will also have to be weighed and the weight marked on it before loading takes place.

Helps Canadian Boats

On inland waters the chief importance of the statute will be to stop transshipment of wheat at Buffalo. The practice of the trade to ship wheat from the head of the lakes to Buffalo and then transship it to small boats destined for Montreal, was only possible so long as the law regarded this movement as two separate voyages, each of them international and therefore open to United States shipping. The new act specifically declares this movement to be one voyage, from the head of the lakes to Montreal, and, therefore, open only to Canadian bottoms. Hereafter, wheat moving in United States ships to Buffalo will have to stay in U.S. channels, proceeding for export to New York, Philadelphia, Baltimore and other Atlantic ports.

New Ginger Group Active in Britain

Imperial Policy Party Led by Youthful Conservatives

Substitution of the British Empire for the internationalistic spirit, both economically and politically, is the object of the Imperial Policy Group, better known as the "Ginger Group" of the Tory party in Great Britain.

None of the leaders of the new group is over 35, but it is said, the group is assuming an importance in Conservative party councils which is remarkable in view of its formation only 18 months ago with a membership of less than 50 representatives of both Houses of Parliament.

Youth Predominant

Appeal for popular support is obviously based on the youth of its personnel, if literature sent out by the organization is any indication. In a pamphlet, entitled "A Policy for the Nation and Empire," objects of the group are set forth in detail. The Policy Council, named in the propaganda pamphlet, includes dozens of names of famous families. With them are names of Englishmen prominently associated with politics.

The policy executive of the organization includes Viscount Clive, George Balfour, M.P., Lord Phillimore, M.P., the Earl of Mansfield, A. R. Wise, M.P., and Major-General Sir Alfred Knox, K.C.B. C.M.G., M.P.

Company Earnings Reports

C. W. Lindsay

Financial statement of C. W. Lindsay & Co. for the fiscal year ended February 29, 1936, reveals a smaller operating loss than has been recorded for some time. Taking into consideration income from investments, the company is able to show net earnings of $12,008, as against a deficit of $56,424 in the 1935 fiscal year. After providing for all charges, there was a deficit for the past year of $28,359, compared with $110,347 in the previous twelve months.

The balance sheet shows that among assets the only change of interest was a contraction in call loans from $100,000 to $60,000. Among liabilities funded debt declined by $100,000 to $400,000, while preferred stock outstanding was reduced from $515,200 to $498,300.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating loss	33,525	98,725
Less: Other income	45,533	42,300
Net revenue	12,008	*56,424
Less: Depreciation	14,684	15,213
Bond interest	25,683	38,534
W/o real estate	......	175
Deficit	28,359	110,347
Previous surplus	†42,856	133,883
Surplus forward	14,497	23,536

*Adjusted. †Deficit.

Working Capital

	1935	1934
	$	$
Current assets	844,885	946,320
Current liabilities	39,408	37,835
Working capital	805,477	908,935

Canadian Light

Canadian Light and Power Co., subsidiary of United Securities, reports a small increase in gross income during 1935. The gain, however, is more than offset by increased operating expenses in connection with major repairs to the company's plant. A reduction in depreciation charge, however, left a larger balance available for dividends than was the case in 1934.

The balance sheet shows a reduction in bonded debt during the year of nearly $50,000. Among assets, cash increased from $75,000 to $100,000, while call loans declined $100,000 to $30,000. At the same time investments advanced from $142,682 to $227,531.

Income and Surplus Account
Year Ended December 31

	1935	1934
	$	$
Gross income	408,917	402,984
Operating expenses	142,563	127,532
Net revenue	266,354	275,452
Less: Depreciation	80,000	95,000
Interest	144,655	147,043
Net profit	41,699	33,408
Less: Dividends	33,248	33,248
Surplus	8,451	160
Previous surplus	*6,449	11,634
Surplus forward	14,900	11,794

* After income tax.

Working Capital

	1935	1934
Current assets	172,711	221,902
Current liabilities	120,249	111,110
Working capital	52,462	110,792

Prairie Cities Oil

Prairie Cities Oil Co. sales have grown steadily from $1.2 millions in 1933 to $1.6 millions in 1935. The first quarter of 1936 shows an advance over the first quarter of 1935. The company shows as a result a small profit of $5,668 for the first time in three years.

Bank loans have been reduced from $100,000 to $85,000. A steady reduction in accounts receivable is noted from $762,917 at the end of 1934 to $515,317 on March 31, 1936. Inventory is higher.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Net earnings	126,212	73,352
Less: Depreciation	67,502	64,390
Directors' fees	2,100	2,100
Bond interest	8,407	23,997
Bk. & other int. (net)	14,781	18,062
Organ. exp. w/o	1,693	1,693
Exec. sal. & fees	11,173	......
Prov. for bad debts	14,889	......
Net profit	5,667	†36,890
Add: Previous deficit	......	456,791
Add: Adjust.	1,194	......
Less: Loss on prop. assets	4,893	......
Charged to spec. res.	......	493,681
Bal. carried forward	1,968	nil

† Loss.

Three Months to March 31

	1936	1935
	$	$
Sales	145,746	136,841
Gross profit	40,955	31,171
Less: Expenses	68,174	63,381
Depreciation	16,875	16,875
Bond interest	2,100	2,100
Bk. int., etc.	4,555	4,889
Net loss	50,749	56,074

Working Capital

	1935	1934
	$	$
Current assets	528,780	556,717
Current liabilities	795,536	808,399
Working capital	*266,756	*251,682
Ratio	0.66—1	0.69—1

* Excess of current liabilities over current assets.

Hydro Securities

Hydro-Electric Securities Corp.'s financial statement for 1935 features a sharp increase in the market value of investments, while net income was somewhat lower. After payment of preference dividend, there was a surplus of $118,417, as against $144,273 in 1934.

During the year the company purchased for redemption 8,716 preferred shares, on which a profit of $21,568 was realized. This was added to capital reserve, increasing this account to $646,019.

Market Value Higher

The net book cost of investments owned by the company at the year-end was $14.3 millions against an actual market value of over $12.8 millions, showing a deficiency of $760,233. At the end of the previous year, the deficiency amounted to over $4.5 millions.

The most important change in the company's investment policy last year was the acquisition of a syndicate participation consisting of bonds and common shares of the Northeastern Water and Electric Corp. This company owns and controls the water supply of 89 communities in the northeastern part of the United States and supplies electric light services in 47 communities.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Gross income	618,170	592,773
Less: Interest	63,994	......
Transfer fees	3,101	4,247
Expenses	29,303	25,490
Directors' fees	1,837	3,676
Net profit	519,934	559,360
Less: Pfd. dividends	401,517	415,037
Surplus	118,417	144,273
Previous surplus	1,897,082	1,976,493
Less: W/o invests.	......	223,683
	2,015,499	1,897,083

Hamilton United Theatres

Hamilton United Theatres did not earn its full dividend on $787,900 7 per cent cumulative preferred stock outstanding in the year ended December 26, 1935. It paid at the rate of 4 per cent and arrears now date from March 28, 1934, or a little more than 4 per cent.

The company improved its working capital and increased its earned surplus materially.

Income and Surplus Account

	52 wks. ended Dec. 28 1935	52 wks. ended Dec. 29 1934
	$	$
Net earnings	70,137	64,895
Add: Int. on bds. & bk. dep.	1,735	1,581
Less: Deprec. on bldgs.	16,740	16,740
Prop. of sound equip. license & install. costs w/o	......	2,512
Prov. for inc. tax	7,443	6,375
Net profit	47,689	40,849
Less appropriations: Preferred dividends	31,516	55,153
Surplus for year	16,173	†14,304
Add: Previous surplus	26,827	40,772
Prior yr. adj.	8,842	426
Less: Addit. exp.‡	2,211	......
Adj. of prior yr. inc. tax	500	67
Taxes prior year	1,253	......
Bal. carried forward	47,878	26,827

† Deficit. ‡ Proportion of additional theatre operating expenditures for prior year.

Working Capital

	1935	1934
Current assets	104,098	67,694
Current liabilities	16,739	20,801
Working capital	87,359	46,893
Ratio	6.22—1	3.25—1

Eastern Theatres

Eastern Theatres Ltd., operating Toronto's "Imperial" theatre, suffered a 50 per cent drop in net earnings and a greater drop of profits after all charges in the 1935 year. New management has recently been installed. The balance sheet shows only minor changes outside the increase in working capital, part of which is attributable to write-up of Dominion government bond holdings.

Income and Surplus Account
52 Weeks Ended Dec. 26

	1935	1934
	$	$
Net earnings	40,790	81,491
Add: Int. receipts	7,660	8,058
Less: Depreciation	38,625	43,563
Dom. income tax	1,326	6,169
Net profit	8,499	39,817
Less: Pfd. dividends	35,000	17,500
Surplus for year	*26,501	22,317
Add: Prev. surplus	129,444	106,902
Net gain on secs.	11,251	516
Less: Adjustments	724	291
Surplus forward	113,470	129,444

* Deficit.

Working Capital

	1935	1934
Current assets	233,311	219,679
Current liabilities	4,138	7,662
Working capital	229,173	212,017

Inter. Holding

International Holding and Investment Co., a holding company formed by the late Alfred Lowenstein to invest funds principally in the artificial silk, railway and chemical industries, reports an income of $236,338 for 1935. This is practically the same as in the preceding twelve months.

The principal change in the company's investments during the past year was the purchase of about $5.5 millions of 6 per cent bonds and 149,677 common shares in the Northeastern Water and Electric Corp. At the same time the company entered into a syndicate arrangement with various sub-participants by which it ceded to them 90 per cent of its interests in this acquisition.

At the end of the year the market value of the company's investments was over $10.1 millions, an appreciation of $2.7 millions over book values. The gain in market value compared with that previously reported was about $1 million. The net value of the assets per share now stands at $2.13, as against $1.91 at the end of 1934.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross income	236,338	232,793
Less: Transfer fees	2,180	2,251
Fisc. expenses	10,661	43,497
General expenses	19,986	22,548
Directors' fees	3,127	4,087
Net income	200,384	160,410
Previous surplus	1,333,858	1,173,448
Surplus forward	1,534,242	1,333,858

United Securities

United Securities' financial statement for 1935 shows a moderate increase in both gross and net income, with earnings on the capital stock amounting to $3.81 a share as against $3.64 a share in 1934.

The balance sheet shows book value of investments at $10.2 millions, against a market value of $6.6 millions. At the end of March, 1935, investments had a book value of $10.3 millions and a market value of $6 millions.

Income and Surplus Account
Years Ended March 31

	1936	1935
	$	$
Gross income	474,690	466,100
Less: Expenses	22,235	18,095
Bond interest	256,788	261,431
Net profit	195,667	186,574
Less: Dividends	102,522	102,522
Surplus	93,145	84,052
Previous surplus	309,397	325,444
Trans. to reserve	100,000	100,000
Surplus forward	302,542	309,496

Northern Telephone Co.

Northern Telephone Co., New Liskeard, Ont., reports improved earnings in 1935. However, larger expenses and charges absorbed all the increase. Working capital has not improved substantially because of expenditures on extensions. Dividend was continued at 8 per cent. President T. McCamus says directors consider the outlook satisfactory for a prosperous year in 1936.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross earnings	273,466	246,900
Less: Op. & main. exp., taxes, etc.	170,388	148,398
Net earnings	103,078	98,502
Less: Deprec.	47,791	43,930
Bond interest	9,480	9,480
Other interest	1,379	1,101
Bad debts	3,523	3,406
Income tax	5,561	4,647
Net profit	35,344	35,939
Less: Dividends	28,813	28,814
Surplus for year	6,531	7,125
Add: Prev. surplus	65,796	58,671
Balance forward	72,327	65,796

Working Capital

	1935	1934
	$	$
Current assets	30,752	29,691
Current liabilities	66,628	69,292
Working capital	*35,876	*39,601
Ratio	0.46—1	0.43—1

*Excess of current liabilities over current assets.

Jamaica Pub. Service

Jamaica Public Service reports consolidated gross earnings in 1935 of $859,397, or 3.6 per cent greater than in 1934. After deducting senior charges, balance available on the common stock was equal to $2.30 a share against $1.55 a share in 1934.

The balance sheet reflects the financing carried out by the company in January, 1935, when $1,940,000 five per cent first mortgage bonds were replaced by an issue of $2,044,000 of 4½ per cent debenture stock.

Income and Surplus Account
Year Ended December 31

	1935	1934
	$	$
Gross income	859,398	829,752
Less: Expenses	508,823	493,816
Net earnings	350,575	335,936
Less: Interest, etc.	102,936	108,865
Retirement res.	90,000	90,000
Net profit	157,639	137,071
Less: Sub. dividend	31,922	37,520
"B" dividend	22,320	22,520
Common dividend	56,250	45,000
Surplus	47,147	33,767
Previous surplus	257,140	201,932
Less: Direct debits	5,899	....
Add: Direct credits	....	21,441
Surplus forward	298,388	257,140

Working Capital

	1935	1934
Current assets	540,591	440,866
Current liabilities	121,643	115,262
Working capital	418,948	325,604

Inter. Paper

Consolidated statement of International Paper Co. for 1935 shows a net loss after all charges of $2.8 millions compared with $3 millions in 1934. Although there was an increase of 8 per cent in the physical volume of business and a slight rise in the average selling price, the gain was offset almost entirely by an increase in expenses primarily due to the larger volume of business.

In his report to shareholders, Richard J. Cullen, president, points out that the funded debt at the end of 1935 amounted to $68.1 millions, a net reduction of $1.3 millions during the year. Bank loans amount to $15.9 millions, an increase of $1 million over that previously reported. A total of $700,960 was paid off on existing loans, but a subsidiary, Southern Kraft Corp., borrowed $1.7 million from the banks for plant improvement.

Since the close of the year, the company's Newfoundland subsidiary refunded part of its debt and sold $1.5 millions of bonds to provide funds for capital expenditures.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross income	95,601,633	87,302,373
Less: Cost of sales	58,047,172	52,879,661
Maintenance	6,029,840	5,372,320
Taxes	1,974,672	2,056,853
Trans. expenses	12,929,260	10,853,825
Selling exps., etc.	6,516,468	6,337,697
Bad debt reserve	995,773	1,049,626
Net earnings	9,108,448	8,752,400
Less: Depreciation	5,057,505	4,946,284
Depletion	723,016	748,531
Debt interest	3,922,764	4,055,576
Other interest	1,019,224	932,799
Debt discount	364,839	373,447
Income tax	345,184	186,864
Sub. divd. paid	12,415	12,500
Sub. divd. accrued	504,400	506,116
Net loss for year	2,840,898	3,009,717
Less: Profit on bonds	420,361	595,850
Adjustments	658,139	......
Add: Prev. deficit	17,900,109	15,486,242
Deficit forward	19,662,507	17,900,109

Working Capital

	1935	1934
	$	$
Current assets	43,898,879	42,464,424
Current liabilities	26,244,680	23,808,856
Working capital	17,654,199	18,655,568

Power and Gas For Edmonton

Citizens Dubious as Calgary Power Cuts Connection

Edmonton city council and its committees are talking a lot these days about power and gas.

They talk about power because they are "on the spot" for a lot of criticism from citizens who believe the council has put the city in a dangerous position by not renewing the arrangement with Calgary Power Co. for standby power on a reasonable basis.

They talk about gas because Northwestern Utilities is reforming its capital structure and civic officials are using the occasion to ask the Public Utilities Commission to secure, from the company a written guarantee that gas rates to city consumers will not be raised and that the company will not sue the city to recover part of the company's loss in the Corona Hotel fire several years ago. The right to purchase the enterprise or the purchase price must not be affected, insist the city representatives.

The real concern is about power. Commissioner R. J. Gibb says that if the largest unit in the city power plant—a 10,000 kilowatt turbo-generator—should break down, it would be dangerous. By a makeshift arrangement he believes the city plant could negotiate the next winter but in the winter following something would have to be done.

The matter is exercising citizens to such an extent that a committee of the Chamber of Commerce waited on the city council to get a "reasonable assurance" that a continuous and ample power supply could be provided by the city steam plant after the Calgary Power Company cut loose from the plant on April 25. They pointed out that Canada Packers new plant would probably use 5 million kilowatts yearly. More industrial demand was likely but new industries would not come if there was an uncertainty about power supply. The city could not complete extensions to its power plant until 1937 and 1938. Financing under the present circumstances might be difficult.

The total capacity of the plant was 21,000 kilowatts, including the direct current unit while an obsolete unit could be repaired to produce another 2,000 kilowatts. The peak load next winter will be 17,000 kilowatts, estimated Commissioner Gibb.

One alderman objected to the visit of the delegation from the Chamber of Commerce, saying the aldermen were "running the city." V. A. Porter, of the delegation, retorted that was quite true but that someone else was paying the bills. Another alderman expressed the opinion that sabotage of the city plant was a possibility. Mayor Clarke said the delegation was part of a "class" that had given the city an "impossible" charter that prevented the Mayor having "a free hand" in running the city.

But the delegation assured mayor and aldermen they had no axe to grind. They did not care what arrangement was made with Calgary Power Co., coal companies or any other company. But they did want assurance something adequate would be done.

Reduces Rates 3 Times To Moose Jaw Residents

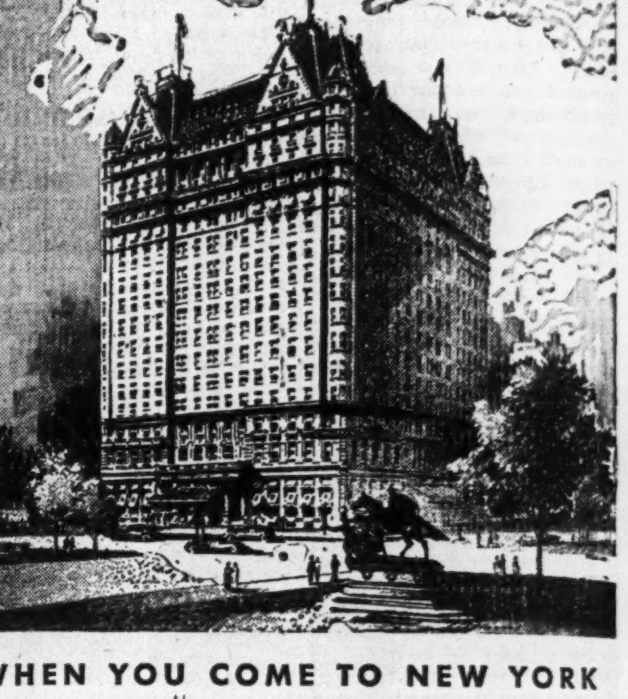
Voluntary Reductions by Private Power Co. — Costs Lower

Third substantial cut in power rates was voluntarily made by National Light & Power Co. in Moose Jaw, Sask., recently. Progressive reduction in costs as power output grew is given as the cause for these reductions.

Former reductions amounted to 10 per cent in 1930 and 5 per cent in 1932. The new rates for both residential and commercial lighting and Class B power are one-half cent per kilowatt hour less on the first 50 hours used per month. The 5½-cent rate compares with 7 cents six years ago.

Rates for residential combination lighting, cooking, heating and refrigeration will be one-half cent per kilowatt hour less for the first 80 hours used each month. This rate will now be 4½ cents per kw.h. as compared with 6 cents six years ago when the plant was purchased from the city.

Reductions affect 5,446 out of 5,461 consumers, the other 15 operating under special wholesale and industrial power rates. They have not been reduced.



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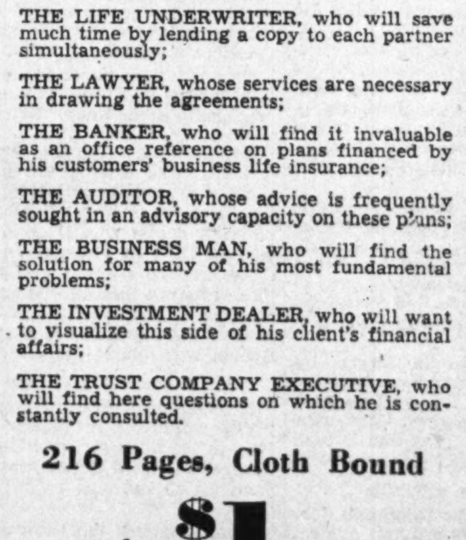

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Week in Wheat

Markets Are Uneasy But Doubt Big Crops

Uncertainty as to United States Winter Wheat Recovery — European Situation Unsettling With Crops Deteriorating But Exchange Nervous

From Our Own Correspondent

WINNIPEG.—After Monday's break in prices wheat markets of the world showed a firmer tendency. Apparently they began to doubt if the prospective supply situation for next year had altered to as great an extent as earlier nervousness seemed to indicate. Liverpool stressed the fact that European growing conditions are not especially satisfactory, and that the outlook for the French crop is poor. In addition the crop of Northern Africa is now reported definitely reduced to small proportions.

Delayed opening of navigation on the Great Lakes seems to have had some effect in postponing business. This is a seasonal development to be expected, especially as the relationship between Atlantic and Vancouver prices may have some effect on the buying orders to be placed.

Uneasiness

RAIN in the United States winter wheat belt, and uneasiness over international finance both contributed to the early weakness of the market. To this was added some uneasiness on account of the extremely small world shipments.

Tension over the French elections was another upsetting factor. Should France either abandon the gold standard or be forced to devalue the franc, it might bring down sterling in terms of the dollar, whether United States or Canadian. Lower sterling would adversely affect the price of wheat in Canadian funds, and at least would have a tendency to weaken prices in United States markets.

* * *

U. S. Prospects

FOR a considerable time the steady decline in the prospects for the United States winter wheat crop has been one of the most important strengthening factors in the wheat market. For a while it looked as if United States might not produce more than domestic requirements. In consequence prices there might remain well above world parity. At the same time the Canadian position would be stronger by having another year free from U. S. competition in international markets.

On April 1 Washington put the indicated production of winter wheat at 493 million bushels. For the greater part of the month those prospects shrank at the rate of from one to two million bushels a day. Observers even started discussing the possibility of production falling below last year's level of 435 million bushels. Secretary of Agriculture Wallace pointed out that while the drought stricken area of the southwest was smaller than last year, it still represented some 30 million acres. In this a large part of the winter wheat acreage was included.

The situation has no doubt been much improved by recent rains, but it will take some time to be sure what degree of recovery has taken place.

* * *

Less Stocks Afloat

STOCKS of wheat afloat have declined during the past two weeks. The statement is probably justified that actual overseas consumption of imported wheat has considerably exceeded the quantities in transit during that time. To some extent the reduction of floating stocks can be considered an advantage to Canada. This is the only country in a position to make, within a short time, large deliveries in Europe on new sales.

Decline in shipments is to a certain extent seasonal. A large part of the Canadian wheat destined for Europe has been shipped during recent weeks from Vancouver. Later supplies are likely to go mainly from Atlantic ports. But the latter, because of a shorter transit time, do not need to be shipped so early as if they were going from Vancouver. Thus a gap can develop in Canadian shipments without being the cause of undue anxiety respecting later business.

* * *

Lake Freights

LARGE quantities of wheat are known to have been booked for shipment from Atlantic ports during the last three months of the current crop year, and some considerable quantities of wheat have been accumulated at the head of the lakes for account of exporters. Probably on that account business during the past week or so for the opening of navigation has not been as brisk as might have been expected this late in the season. While the nominal basis of lake freights for the opening is six cents a bushel to Montreal, and vessel owners are holding out for that figure, some business appears to have been booked on a 5½ or 5¾ cents basis. Some exporters are hesitant about making further commitments for overseas business until they feel more certain of the stability of lake freights.

No Early Start Seen for Seeding

From Our Own Correspondent

REGINA. — Seeding in Western Canada will not be any earlier than it was last year when it became general by April 30. Manitoba will probably get its seed in first, followed by southern Saskatchewan and Alberta with northern points following from a few to several days later.

Moisture conditions are favorable over the entire west even though precipitation has been negligible since early April. Heavy winter snows have filled every available slough and streams have been taxed to carry off surface water. Considerable of this has seeped into the ground, providing a good reserve for early growing.

Wheat acreage in all three provinces is not expected to vary much from that of last year. There may be a small increase in coarse grains.

DIVIDEND NOTICES

BANK OF MONTREAL
Established 1817
DIVIDEND NO. 292

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1936.

By Order of the Board
W. A. BOG JACKSON DODDS
General Manager General Manager
Montreal, 21st April, 1936.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending May 31, 1936, payable on the 1st day of June, 1936, to shareholders of record at the close of business on the 12th day of May, 1936. Payment will be made in Canadian Funds.

D. URQUHART,
Secretary.
Toronto, April 23, 1936.

McKinley Mines Securities Company Limited
(No Personal Liability)
DIVIDEND NO. 4

NOTICE IS HEREBY GIVEN that a dividend of Two and One-half per cent (2½ cents per share) on the issued Capital Stock of the Company has been declared payable June 1st, 1936, to shareholders of record at the close of business May 15th, 1936.

By order of the Board.
J. INGRAM,
Secretary-Treasurer.
Toronto, April 24th, 1936.

Hollinger Consolidated Gold Mines Limited
DIVIDEND NUMBER 279
EXTRA DIVIDEND NUMBER 26

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 19th day of May, 1936, to shareholders of record at the close of business on the 4th day of May, 1936.

DATED the 27th day of April, 1936.
I. McIVOR,
Assistant-Treasurer.

DIVIDEND NOTICES

The Canadian Bank of Commerce
Dividend No. 197

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1936, and that the same will be payable at the Bank and its Branches on and after Monday, 1st June next, to shareholders of record at the close of business on the 30th April, 1936. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN.
General Manager.
Toronto, 17th April, 1936.

Consolidated Diversified Standard Securities LIMITED
Dividend No. 8

NOTICE is hereby given that a dividend of 25c per share on the outstanding fully paid non cumulative redeemable First Preference shares has been declared, payable June 15, 1936, to shareholders of record June 1, 1936. Transfer books will be closed from May 15 to June 15, 1936, inclusive.

By Order of the Board,
A. G. TIERNEY, Sec.

P.S.—Dividends accruing on fully paid shares not as yet registered in the company's stock records shall be set aside and paid only when registration shall have been completed.

Montreal, April 27, 1936.

BLUE RIBBON CORPORATION LIMITED

Notice is hereby given that a dividend of Fifty Cents (50) per share on the preferred shares of the Company has been declared payable on and after May 1st, 1936, to shareholders of record on April 28th, 1936.

Dated at Toronto this 23rd day of April, 1936.
J. C. JAMIESON,
Secretary.

Lake of the Woods Milling Company Limited
DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of $1.75 per share on the Preferred Stock of the Company has been declared payable on June 1st, 1936, to shareholders of record at the close of business on May 15th, 1936.

By Order of the Board,
D. A. MacINNES,
Secretary.

Futures and the Grain Trade

Winnipeg Grain Exchange Maintains Trading in Grain Futures Only Satisfactory Method of Price Insurance

By A. E. DARBY*

Risk Is Inseparable

Risk is inseparable from human existence and human activities. Risks arising from accident, fire, storm and earthquake, and many other causes of death and destruction, are insured. The form of price insurance embodied in grain futures trading is as useful and as legitimate as other forms of insurance and it has been developed to meet the needs of the case just as certainly as the other forms of insurance which escape criticism.

The machinery of grain handling and trading falls naturally into four main divisions. These comprise the collection of grain at country points and its transference to central storage elevators; its storage and shipment in bulk to seaboard; the machinery by means of which it passes into export channels; and, finally, the facilities provided by the Winnipeg Grain Exchange.

The distinctive feature of the machinery of grain handling as developed on the North American continent is that the grain is handled in bulk. The grower is not required to place it in bags or containers.

Collection of grain at country points is done chiefly by the system of country elevators and to a more limited extent by commission merchants and track buyers handling farmers' grain loaded over the platform.

Country Elevator Functions

The primary function of a country elevator is that of buying the farmer's grain. Its operator is ready at all times to buy grain direct from any farmer who desires to sell. It is in a real sense a primary grain market. The farmer receives a cash ticket in the form prescribed by statute which shows the gross and net weights, grade and dockage and the total amount of money due. He presents this ticket to the buyer's paying agent and receives the money.

Such a local market is a great advantage to farmers. It is always active and available while there is grain for sale.

Public Warehouses

The second function of a country elevator is that of public warehousing. If its price and terms do not satisfy the farmer, if direct shipping appeals to him instead of selling to the grain buyer, the elevator facilities for weighing, storing and shipping are at his disposal as long as there is space available, and without discrimination. Elevators are required by law to be licensed before doing a public warehouse business, and their operations are closely regulated by the Board of Grain Commissioners.

Money Moves Crop

While elevator companies have working capital of their own, in the main they borrow the required money from the banks, and do so by arranging lines of credit, running usually from the first of August in one year to first of August in the next year. The country elevator company pays cash to the farmer, and is paid cash when it sells to the miller, the terminal dealer, the shipper or the exporter. The money paid to the grower returns to the bank again within a few days, and the money paid to the country elevator company keeps its credit revolving.

The elevator company must give security to the bank for the loan, and the main part of this security is the grain itself. One of the conditions of the loan is that the company shall hedge its cash grain purchases, that is to say, that as it buys from the farmer from day to day it shall sell an equivalent amount for future delivery.

It is not commonly appreciated that money, mainly in the form of bank credit, is as necessary as all the other machinery described for the movement of the huge Canadian grain crops into consumption.

Speculation Inseparable

Since the conditions of the grain markets are never fixed but continually changing and the changes are frequently unforeseeable, or, at any rate, unforeseen, risk or speculation is inseparable from grain marketing. This risk may be carried by any of the various branches of the trade in the degree in which hedging is not practised. It may be carried by professional speculators who make a business of endeavoring to foresee price changes. It may be carried by the non-professional speculator who takes a chance in the grain markets. It may be carried by the exporter or the importer who tries to anticipate a rise in price and to make a profit by carrying stocks unhedged. It has even, in some periods, been carried by governmental or co-operative marketing agencies.

Must Carry Risk

The risk is there and must be carried by someone. The function of the speculator is to carry this risk, and if he can obtain from it some measure of profit—which he very commonly does not obtain—he has rendered in return for it a very real service and has removed the risk from those points in the machinery of marketing where its presence would create hardship and confusion.

River of Grain

Bulk handling of grain lends itself to economy both in transshipment and in storage and is accompanied by surprisingly low percentages of waste or loss. The first cost of elevator buildings and equipment is naturally considerable but is offset by the saving in labor cost of handling the grain into and out of the storage bins.

The operation of the system as a whole may best be compared with that of a river. The great network of branch railway lines covering the grain-growing areas of the West, with country elevators dotted at short intervals along them to act as primary collectors of the grain hauled to them from the farms in wagons or trucks, provides the tributaries feeding two main streams which converge at Winnipeg in the east and discharge themselves through the terminal reservoirs at Fort William-Port Arthur into a channel reaching to the seacoast, provided by a great fleet of grain-carrying steamers. A similar stream flows westward from the Prairies to Vancouver, with smaller streams discharging at Prince Rupert and to the northeast through Port Churchill on the Hudson's Bay.

Terminal Elevators

The function of the terminal elevators is to receive grain in carload lots from shipping points throughout Western Canada and to clean and prepare this grain for shipment by boat. They are called Public Terminals because they are licensed by the Board of Grain Commissioners to receive, store and handle grain for any shipper who wishes to use them; that is, they are for the use of that section of the public who are interested in the handling of grain.

The evolution of this system of handling grain is the result of many years of experience. The elevators have been constructed from time to time by private capital or by government expenditure, and, viewed as a whole, comprise buildings of the most modern and up-to-date type.

When grain is delivered to the country elevator by the farmer, that part of the grain which will ultimately be exported to foreign countries is shipped by rail to Fort William-Port Arthur or Vancouver and other Canadian ports on the Pacific, and also to Churchill, where it is stored in various terminal elevators.

Hedging

When the shipper or exporter purchases this grain he places a hedge upon it by selling the same quantity of futures. This hedge is kept on the grain until the grain is sold abroad to importing countries at a stated price. The hedge is then lifted by buying back the futures. At times the exporter may make forward sales abroad, and in such cases he protects himself by the purchase of futures which later are exchanged for the cash grain necessary to complete the sales.

It is important to note that the exporter uses many inland shipping ports and keeps a large quantity of grain so stored so that he is able to offer abroad any grade of grain at any time of shipment that the foreign buyer may require. When the grain is thus in position the exporter must endeavor to sell it to importing countries abroad.

Export Sales

Between the close of one day's market and the opening of the next, exporters offer abroad at a stated price for different grades of grain c.i.f. various United Kingdom or European or other ports for acceptance before the opening. These offers are made to millers or merchants or agents located in different countries and cities abroad. Each exporter has many connections abroad and covers practically every place where there is any demand for Canadian wheat.

It is clear, therefore, that with the many firms engaged in the exporting of Canadian wheat every probable buyer abroad is well supplied with offers, at a very narrow margin of profit, each exporter working in close competition with other exporters. Offers are usually made to importers in foreign countries at a stated or outright price, therefore if the offer is accepted the exporter must buy futures to take off the hedge which was originally sold when the exporter purchased the grain.

Risks

Offering the grain at outright prices is usually the biggest risk that the exporter takes. If, for example, May wheat closes in the Winnipeg market at 80 cents, the exporter must decide at what price he will base his overnight offers. He may base these offers at 80 cents or perhaps ⅛ cent or ¼ cent higher. In any event, if the offer is accepted he buys in his hedge the next morning at the best possible price. The amount an exporter may offer overnight depends on the condition of the markets and his judgment as to his ability to buy in his hedges next morning. The exporter then ships the grain on the ocean boat, according to the terms of the contract, from the port in which he has the grain stored.

Millers, maltsters and feed merchants in Canada constitute an important part of the grain marketing system and utilize all the machinery here described for filling their requirements and hedging their purchases and sales.

Functions of the Exchange

The functions of the Winnipeg Grain Exchange in the marketing of the grain crops of Western Canada are indispensable parts of the complex and delicate machinery which has been created to record the relations of supply and demand throughout the world for wheat and other cereal grains.

These relations determine the value from time to time of these grains. Whatever arrangements may exist or may be made for the distribution of grains for human consumption and for the feeding of livestock, the final determinant of their value will always be the relation of effective demand to available supply. The collections and publication of such information and the instant and accurate recording of prices as they change in response to it is one of the chief purposes of grain exchanges wherever they exist. And since it is of supreme importance to producers, to distributors and to processors and consumers to endeavor to foresee the course of prices and to protect themselves as far as possible against probable future changes in them, the exchanges record not only the price of grains for immediate transfer of delivery but the price at which they may be bought or sold for delivery at various times in the future.

Vital Information

Such information is of interest to those who produce, handle, manufacture and consume grain in all countries at all times. Whether a country is an importer of cereals or an exporter; whether its people produce more or less grain than they consume or are entirely self-satisfying in this respect, this information is necessary to the intelligent direction of their agriculture and the economical satisfaction of their needs. For an exporting country like Canada, which must find markets abroad for as much as five sixths of its wheat crops, the information is peculiarly necessary.

The Exchange does not itself buy or sell, handle, transport or process grain. It simply provides a meeting place where those who do all these things in connection with grain transact their business with one another.

Voluntary Body

Unlike most other similar bodies the Winnipeg Grain Exchange is not incorporated either by charter or by special legislation. It is a voluntary association. Its members are bound together by a constitution, by-laws and regulations which each voluntarily accepts and which may be changed from time to time by majority vote. There is no limitation upon membership other than that imposed by character and responsibility and the necessity to acquire a certificate of membership by purchase either from a member or from the association itself. Certificates of membership have almost invariably in recent years been purchasable from existing members, indicating that the number issued by the association has been adequate to admit to the Exchange all properly qualified and responsible persons who have desired to obtain membership.

The Winnipeg Grain Exchange simply records the prices at which transactions are made. The members have assented to the rules and regulations which govern their transactions in grain and it is only when these rules are broken, or when disputes arise, or complaints are lodged with the association as to the conduct of business transactions, that the records and dealings of the members come under examination. Furthermore, the members of the Exchange are daily, hourly, in fact momentarily in trading hours, in keen competition. The association stands in relation to them as an umpire or referee, interested only in securing the observance by all members of the rules, regulations and constitution of the Exchange.

Common Needs

But these 463 members, representing all the various branches of the grain and milling trades, and in addition the shipping interest, banks and railroads, for purposes of convenience, have certain common needs. They require to be informed of the state of other grain markets, of the changes in prices registered on those markets from minute to minute. They require the latest statistical information relative to imports by consuming countries, exports by surplus-producing countries, the quantities of grain shipped, held in storage, and delivered by farmers in primary markets, crop estimates, foreign exchange, etc.

Cash Sales

The trading which takes place in the wheat and coarse grain pits on the Winnipeg Grain Exchange is entirely concerned with the buying and selling of grain for future delivery. That does not mean that trading in actual grain is not carried on very extensively. But the purchase and sale of grain for immediate delivery is largely conducted through the agency of cash grain brokers, whose operations are conducted directly with the buyer and seller. Such sales and purchases cannot in the nature of things be conducted as the trading in futures is conducted. Since the grain sold and purchased for cash through the cash grain brokers is almost invariably hedged, however, these transactions are accompanied by the exchange of futures. As a matter of fact, the prices paid for cash grain are based on the prices recorded in the futures market.

Value of Futures

Perhaps the most important and valuable service of the Winnipeg Grain Exchange, or of any similar institution, is that of providing the facilities for futures trading. Under the by-laws of the Exchange, contracts may be made by members for the purchase and sale of grain for delivery in the future in certain specified months. Thus contracts can be made contemplating the delivery of the grain in May, July, October, November and December.

Trading in grain for future delivery in the months mentioned is authorized as necessity and convenience dictate by the Council of the Exchange and the quotations of the prices at which they trade are continuously posted thereafter until the last trading day of the month specified.

This constitutes the futures market, and it is this futures market which enables the indispensable operation known as hedging to be performed.

Lends Stability

The ability of grain traders to buy and sell grain for future delivery lends stability to grain prices by discounting those changing factors in the supply of, and the demand for grain which otherwise would cause violent and disturbing fluctuations in the current prices. Traders endeavor to foresee the probable course of prices and to anticipate the effects of potential scarcity or plenty in supply, or of apathy or urgency in demand. So long, in fact, as there is a broad market for grain futures operating with the least possible restraint or interference the fluctuations in price, great as they may seem on occasion, will always be considerably less than they would be were no such market in existence.

Hedging consists in selling for future delivery quantities of grain equal to the cash purchases of the trader or in buying for delivery in the future of quantities equal to that presently sold by the exporter, miller or processor. Fluctuations in price downward would cause the buyer of grain loss when he came to sell at a later date. Since the futures which he has sold as a hedge has also declined in price it can be bought in at a profit. The loss on the one transaction is offset by the gain on the other.

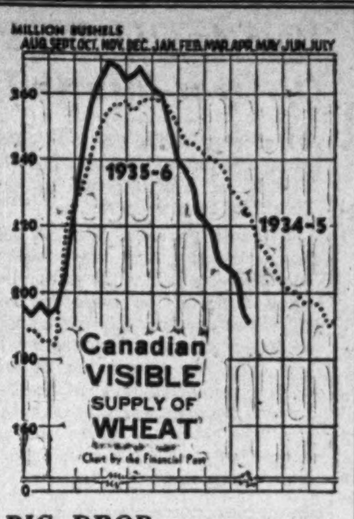
A miller, having sold grain in the form of flour for delivery at a future time, hedges his sale by buying futures. If the price of the grain he requires to fill his order rises he would incur a loss. But the price of the futures has risen also and the sale of that will compensate for the loss incurred on his flour sale.

Price Insurance

Hedging is price insurance and removes in large degree the speculative character which would, without it, belong to every purchase and sale of the actual commodity. The risk of loss arising from inevitable price changes would undoubtedly have to be allowed for in determining the prices grain dealers could pay the growers and would render the financing of the whole trade more precarious and costly.

It is commonly overlooked in discussions of the subject that hedging involves the buying of grain futures as well as the selling of them. It is reasonable to assume that, if the quantity of grain purchased in the primary markets was exactly equal day by day to the quantity absorbed by the consuming markets, the selling hedges and the buying hedges would exactly balance. Hedging would then be a perfect system of mutual insurance. Unfortunately, the current or flow of grain into the markets can seldom or never be exactly equal to the current or flow of grain out of them into actual consumption. The element of risk is never entirely absent and this risk must be borne by someone.

*Statement presented by the Winnipeg Grain Exchange to the special committee of the House of Commons investigating wheat.



BIG DROP

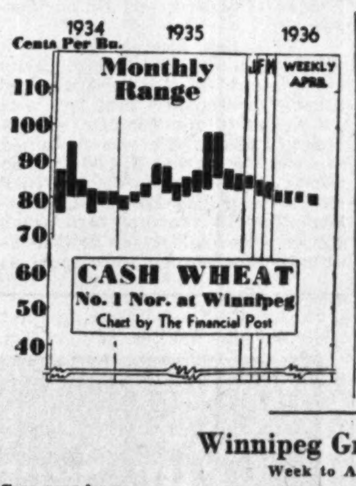
Canadian wheat in store declined over 6 million bushels last week, which is one of the biggest cleanouts in over a month. Total in visible position is now down nearly 25 million bushels from this time a year ago. Export clearances amounted to well over 3 million bushels. Now that navigation is opening and country deliveries of the 1935 crop are getting near an end, the carry-over is expected to decline more rapidly in the 14 weeks of the current crop year yet remaining.

Canadian Visible

Week of April 17	Week previous	Last year
191,224,000	197,768,000	215,903,000
Export Clearances‡		
3,358,754	2,819,796	2,440,086

‡ Plus U. S. imports.

Wheat Prices



(Cash Quotations)

At Winnipeg:	For Week Apr. 28 High $	Low $	Prev. Week High $	Low $
1 Man. Hard	.83⅞	.81¼	.85⅛	.82½
1 Northern	.82⅛	.79⅝	.83¼	.81
2 Northern	.80	.77⅝	.80⅞	.78¾
3 Northern	.76⅝	.74⅛	.77⅜	.74¾
4 Northern	.72⅞	.70⅜	.73⅞	.71⅝
5 Wheat	.66½	.64½	.67⅝	.65
6 Wheat	.54⅜	.52¼	.55⅝	.53
Feed Wheat	.47⅛	.44¾	.48⅝	.46½
Vancouver: Week to April 24:				
1 Northern	.81⅝	.79½	.80¾	.78⅛

Competitive Export Prices: (April-May) shipment.

	High (Week to Apr. 24)	Low
No. 1 North. (Vanc.)	0.98⅝	0.96¾
No. 2 North. (Atlan.)	0.96¼	0.93¾
No. 2 North. (Vanc.)	0.97½	0.95⅜
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.97⅛	0.95⅜
Australian	0.98⅜	0.96¾
French	unquoted	

Winnipeg Grain Futures

Week to April 28, 1936

Crop year from Aug. 1, 1935 High	Low		Open Apr. 22	High for week	Low for week	Close Apr. 28
		Wheat				
1.02¼	.78⅛	May	.82¾	.83⅜	.79⅜	.80
.92⅞	.79½	July	.83⅜	.84¼	.80¼	.81
.89	.80	Oct.	.85⅛	.86⅜	.81⅜	.82⅛
		Oats				
.35⅝	.29⅝	May	.31⅝	.31⅞	.30⅞	.31
.33⅝	.30	July	.32⅛	.32¼	.31⅜	.31⅝
.31⅞	.30⅛	Oct.	.31¾	.31⅞	.30⅞	.31⅛
		Barley				
.42½	.34⅝	May	.38⅝	.38¾	.37¼	.37½
.40¼	.35⅝	July	.39¼	.39⅜	.37⅞	.38⅛
.40¼	.39⅛	Oct.	.....	.40¼	.39½	.39⅝
		Flax				
1.65	1.33	May	1.52½	1.52¾	1.48¼	1.48¼
1.63	1.40¼	July	1.49½	1.50¾	1.46½	1.46½
1.47⅝	1.43⅛	Oct.	.....	1.47⅝	1.43⅛	1.44
		Rye				
.51⅞	.39⅛	May	.42⅝	.42⅞	.39⅛	.40⅛
.48½	.40½	July	.43⅝	.44⅛	.40½	.41½
.49	.42¼	Oct.	.45¾	.46⅛	.42¼	.43¾

New Wheat

Cold weather throughout the Canadian West has again delayed spring work. Scattered seeding in the warmer areas is reported, but general work is not expected to get under way much before the first week in May.

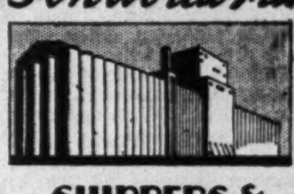
* * *

While prospects of a big winter wheat crop in the southern United States are steadily receding, the outlook in the northern spring wheat states is improving. There the moisture situation is the best in years. Seeding is somewhat late. Only a miracle, it is admitted now, can produce a big crop of winter wheat in the south.

* * *

A probable yield of 700 million bushels for the United States wheat crop, based on present conditions is suggested by Richard J. Mayer in the Wall Street Journal. This would leave a surplus of only 70 million bushels over normal domestic requirements.

GRAIN MERCHANTS In World Trade



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10 Companies Increase New Insurance Abroad

Ordinary Business Placed by Canadian Life Companies in 1935 Totals $265 Millions — Total in Force Over $2.6 Billions

Ten Canadian life insurance companies increased their volume of new ordinary business placed outside of Canada during 1935, according to official figures released recently by the federal insurance department at Ottawa.

Largest percentage gain was made by Confederation Life which increased its new business abroad by 17.5 per cent. Manufacturers Life made the largest dollar gain with an increase of $2,650,000. Other companies to show increases were: Canada, Dominion, Dominion of Canada Gen., Imperial, Maritime, Mutual of Canada, National, North American.

$265 Millions Placed

Total volume of ordinary British and foreign business written by Canadian life companies in 1935 was $265 millions, or 2.5 per cent less than the previous year, due to an 8 per cent decline in volume of new business placed abroad by Sun Life.

Despite this decline, Sun Life in 1935 placed over 60 per cent of all ordinary business written abroad by Canadian companies.

Analysis of total business in force at the end of 1935 shows all companies with the exception of Maritime Life to have increased their volume of ordinary business abroad during the year. The total increase by all companies was $39 millions, bringing the combined volume in the aggregate to over $2.6 billions.

Comparative Figures

Comparative figures for each company in 1934 and 1935, follow:

British and Foreign Business of Canadian Companies
(Ordinary Insurance)

	New Business (Paid for basis)		Bus. in Force (Dec. 31)	
	1935	1934	1935	1934
	—Net Amount—		—Net Amount—	
	$	$	$	$
Canada	19,927,380	18,684,694	315,282,828	311,928,594
Confederation	17,723,441	15,095,410	126,815,057	119,576,967
Crown	11,743,286	12,001,790	40,999,223	34,937,739
Dominion	2,319,581	1,609,365	7,603,211	5,587,465
Dom. of Canada	197,489	89,736	355,310	211,405
Great West	8,272,999	9,272,852	72,329,371	68,122,593
Imperial	6,128,033	6,030,501	53,482,798	52,431,542
London	......	......	52,000	53,000
Manufacturers	35,087,048	32,438,681	243,873,897	232,998,129
Maritime	251,274	204,792	3,363,138	3,444,710
Montreal	32,500	45,122	337,297	336,119
Mutual of Canada	1,547,239	1,028,592	16,239,120	16,233,803
National of Canada	79,557	32,525	500,153	444,126
North American	1,277,076	1,042,465	11,348,137	10,965,739
Sun	160,740,349	174,323,795	1,733,448,625	1,729,640,963
Total	265,327,352	271,910,320	2,626,030,165	2,586,912,914

Great-West Leaders En Route to Bermuda

Leading producers of Great-West Life of Canada called in at New York last week on their convention trip to Bermuda.

Leader of the production group for the 15 months during which the company's agents qualified for the trip was Max Siegler of Montreal. Louis J. White of Toronto is leader of the company for the present calendar year.

The convention committee includes D. R. Ferguson, chairman; W. David Thompson and Albert Daoust.

Leading officials making the trip include C. C. Ferguson, general manager, H. W. Manning, assistant general manager, and F. D. MacCharles, assistant general manager and actuary.

Metropolitan Life Participating Company

A recent reference in The Financial Post to the Metropolitan Life Insurance Co. referred to this organization as one of which writes "nothing but non-par business."

Metropolitan Life, of course, is a mutual company writing only participating policies.

United States Fidelity & Guaranty Company
TORONTO

Canadian Firms At Johannesburg

Twenty-two Companies Already Plan Exhibit at South African Fair

Many important Canadian firms have already taken space at the Canadian Pavilion of the Johannesburg exhibition to be held Sept. 15 to Jan. 15. The exhibition is being restricted to Empire products. South Africa ranked last year as the fifth most important Canadian export outlet.

Names of firms already planning to exhibit as compiled by Canadian Trade Abroad, follow:

General Steel Wares Ltd., Toronto, Ont.
B. C. Lumber & Shingle Manufacturers Ltd.—Lumber.
Canadian Pacific Railway Co.
Benedict Proctor Mfg. Co., Trenton, Ont.—Silver-plated ware, etc.
Beach Foundry Ltd., Ottawa—Electric ranges.
Beatty Bros. Ltd., Fergus, Ont.—Ladders, stable equipment, washing machines.
B. C. Mfg. Co. Ltd., New Westminster—Box shooks.
Canadian Chromalox Co., Toronto—Electric ranges.
Dominion Steel & Coal Corp. Ltd., Sydney, N.S.—Iron and steel products.
Enterprise Foundry Co., Sackville, N.B.—Electric ranges.
B. Greening Wire Co., Hamilton, Ont.—Wire screening.
Gutta Percha & Rubber Ltd., Toronto—Rubber hose and belting.
McKinnon Columbus Chain Ltd., St. Catharines, Ont. — Electrically welded chain.
Page-Hersey Export Co., Toronto, Ont.—Wrought iron and steel pipe.
Renfrew Electric Products Ltd., Renfrew, Ont.—Domestic electrical appliances.
Welland Vale Mfg. Co., St. Catharines, Ont.—Garden tools.
Moffatts Ltd., Weston, Ont.—Electric ranges.
Gurney Foundry Co., Toronto—Heating and cooking appliances, etc.
Ferro Enamelling Co. of Canada Ltd., Ottawa—Porcelain enamels, furnaces, equipment and supplies.
Hiram Walker & Sons Ltd., Walkerville, Ont.
Sterling Rubber Co., Guelph, Ont.
T. S. Simms Co. Ltd., Saint John, N.B.

Law Applies Brake On Over-insurance

Lessening of the possibilities of over-insuring and fraud is the intention of amendments to the Manitoba Insurance Act.

The bill, reported back to the house by the law amendments committee, provides that when insured buildings or properties are destroyed and loss allowed by the insurance company's appraiser is less than the face value of the policy, premiums paid on the difference between the two amounts are to be returned. There was no opposition to the bill from insurance companies.

Insurance Inklings

E. A. SAYLOR has been appointed district manager at London for National Life. E. A. HORTON, former manager at that branch has been moved to Toronto.

F. W. SHEPPARD and J. S. McINTOSH of New Westminster have formed an insurance and investment partnership, Mr. Sheppard having purchased the interest of E. A. Riddell in the firm of Riddell and McIntosh, Ltd. Mr. Sheppard is district manager for Manufacturers Life, a position he will continue to hold.

DR. S. J. STREIGHT, medical director of Canada Life will be chairman of the annual meeting of the medical section of American Life Convention to be held at White Sulphur Springs, June 11 to 13.

$35 Millions Is Auto Toll

Life Companies Compute Claims from Fatal Car Mishaps

Life insurance companies in the U. S. and Canada paid out $35 millions in death claims directly attributable to automobile accidents, according to a special study made recently by the automobile accident committee of the Life Advertisers' Association.

The figures concern accidents involving both driver, passengers and pedestrians. They cover only death losses and do not include payments for disabilities caused by traffic accidents.

Neither does the total include the many millions paid during the year by accident insurance companies for deaths of, and personal injuries to, policyholders sustained in automobile accidents. Another important source of payments is, of course, the amounts charged against liability insurance companies as a result of automobile casualties causing personal injuries and property damage.

From 66 leading legal life companies operating in both countries, the committee obtained information on the amount paid in 1935 for death claims incurred as the direct result of automobile fatalities involving policyholders. With this aggregate as a basis for calculation, the committee arrived at its estimate of $35 millions, representing the cost to life companies of motor vehicle accidents in that year.

70 Per Cent of Workers Need Group Insurance

By D. L. McDOUGALL
Superintendent of Agencies, Confederation Life Association

An examination of 568 group insurance death claims paid in one month by an insurance company, a few years ago, revealed the startling information that 44.9 per cent of the deceased owned no other insurance. Since most of these claims were among industrial workers, it is safe to assume that practically one half of the deceased left no estate whatever, other than their group insurance. It has been estimated that thirty wage-earners out of every hundred cannot obtain individual insurance protection, either because they cannot afford it or because they cannot comply with the necessary health requirements.

What happens to the family of a wage-earner who dies leaving no estate? It is obvious that money is required—urgently, and at once. The expenses of illness and burial must be met, even if we disregard the readjustment period, when the family is endeavoring to discover ways and means whereby they may continue to obtain the necessities of life. In such circumstances, is it not natural that the bereaved family should turn to the employer, from whom they have been accustomed to receive their means of livelihood? Sometimes, the fellow-workmen of the deceased also assist, although they can ill-afford to to do so. Sometimes it becomes necessary to appeal for help to the municipality, an alternative which, to many people, is repulsive.

Hardship to be Faced

Permanent loss of income, due to the death of the wage-earner, is the greatest loss which a family can sustain, but temporary loss of income, due to sickness or accident, is a possibility which causes worry in a greater degree perhaps, since it always appears to be more imminent. Receipt of the pay-envelope depends on being able to work. And yet, when sickness intervenes, the expenses of the home continue as before, probably increase, whereas income ceases. The ordinary household accounts must be paid—accounts for rent, food, light, heat and water. In addition, there are extra expenses incident to the disability—doctors' fees, medicines, etc. If an employee is fortunate, he may have some surplus funds on hand to meet this situation. Usually, however, there is no surplus, and a period of enforced idleness, due to disability, brings distress and a burden of debt, which cause worry and discouragement.

Scientific Solution Offered

Group insurance offers a scientific solution to this problem. By means of a group plan of protection, an employer, at small cost to himself, can make provision whereby the wages of a deceased employee will be paid to his family, for say a year following the employee's death. He can also make provision, under the group plan, for the payment of definite guaranteed weekly benefits up to approximately two thirds of income, if the employee is forced to discontinue work on account of sickness or accident.

As a rule, the cost of Group life insurance averages about $10 a year per $1,000 of insurance. Usually, the employees contribute 60c. a month, or $7.20 a year, so that the net cost to the employer is less than $3 a year per $1,000 of insurance. In the Sickness and Accident section, a monthly premium of 84c. will provide a weekly benefit of $10, payable for thirteen weeks for any one disability, payments commencing on the first day for disability due to accident, and on the fourth day when due to sickness. This cost may be divided between the employer and employees in any proportion. It is assumed, in the above estimates, that no extra rating is required.

Group insurance increases efficiency, promotes goodwill and reduces costly labor turnover.

Would Become "Agents" To Save Commissions

London (Ontario) Board of Education allocated $2,790,000 in fire insurance policies to 47 agents, recently.

Fifteen agents operating offices with assistants were given $70,000 allotments. Seventeen with offices, but no help, obtained $48,000 allotments; and fourteen full-time agents, working from their own homes, were given a $39,800 allocation. Several part-time agents received $15,000 policies.

A suggestion from among the trustees, following the board's allotment of the policies, was that the board choose a Canadian company, secure a license as agent for one of its own employees, and return the agent's commission to its own coffers. The commission is said to amount to $2,500. It was held not only would this amount be saved, but the plan would eliminate conferences with agents from year to year.

Quebec's Insurance Laws Summarized in New Book

Quebec's Insurance Act has been amended several times since revision of the statutes in 1925, and a complete compilation of the act, as well as of others relating to insurance and trust business operations, is contained in the 1936 edition of "Quebec Insurance Act" published by "Assurance Editions Registered."

Preface to the book is by Alfred Savard, K.C., a recognized authority on insurance laws. The edition contains additions to temporary laws, provisions of which are still applicable, avoiding useless references to the general laws.

"Life Insurance Week" To Be Dominion Wide

"Life Insurance Week" in Canada will be May 13 to 18 this year.

Coinciding with a similar week in the United States, "Life Insurance Week" will take the form of a concerted drive to acquaint the public with the wisdom of insurance. Symbol of the campaign, a wise owl, will appear in newspapers and other publications throughout Canada and the U.S.

New Canadian Manager Brings British Tradition

London Guarantee Manager, Leonard Weightman, Knows Both Lands

Insurance actuaries notwithstanding, the job of "assistant to the general manager" is one of the most dangerous in the business world.

To hold it successfully, under daily scrutiny of "the chief" means almost certain promotion. Failure usually means business oblivion.

"Assistant to the general manager" is, in fact, the rung of the business ladder from which a man steps to "the top" if his merits are many and his faults few.

Which is one reason why Leonard Weightman, one time "assistant to the general manager" is the newly appointed manager for Canada and Newfoundland, of the London Guarantee and Accident Co. Ltd., of London. The company is one of the largest and oldest British insurance institutions operating in the Dominion and Newfoundland.

Leonard Weightman is an Englishman, born in Somercotes, Derbyshire, 45 years ago. Like most successful business men the idea of the job being dangerous probably never occured to him when he was assistant to the general manager of "The London Guarantee" at the home office in London. He is the type of Englishman who is too busy with the job on hand—and the one ahead—to bother much about other considerations, unless they happen to involve cricket, painting or photography.

He was once a newspaperman, in London before the war, and still refers to it by the euphonious English designation of "journalism." In common with most former newspapermen he has a slight horror of being interviewed and "given publicity." He would rather talk about insurance and "The London Guarantee."

Insurance After the War

He admits, however, that his career since leaving Fleet Street has not been entirely devoted to insurance. From 1914 until the autumn of 1919, his mail was addressed chiefly to field post offices in France, in care of the Durham Light Infantry and the Northumberland Fusiliers.

During the war, in which he served as captain, he was acting brigade major of the Machine Gun Corps Infantry Training Brigade.

Discharge papers were signed in 1919 and the brigade disbanded, until only Captain Weightman and the brigade commander remained on the rolls. They signed each other's papers, dined at a club, shook hands in farewell and the Machine Gun Corps Infantry Training Brigade ceased to exist.

Mr. Weightman, free to turn his attention to the insurance business, lost no time. He joined the head office staff of "The London Guarantee" as assistant to the general manager.

Subsequently he served the company in the re-insurance department and in the foreign accident department at the home office, where he began to study Canadian insurance conditions through company channels.

Studied Canada

In 1922, on the amalgamation of The London Guarantee with the Phoenix, he was appointed to the latter company and remained in the foreign accident department of the Phoenix group at the home office in London until 1931.

During these years, Mr. Weightman developed an increasing interest in the Canadian insurance field, and in 1931 he visited the Dominion as a head office official. A nine months' tour of Canada followed in which he visited the field agency force of the company in all parts of the Dominion and studied the Canadian situation at first hand.

Meanwhile, in London, directors of The London Guarantee gathered to review results of the company's first half century's operations in Canada, and to consider the future.

Baronets, knights and other titled gentlemen knit aristocratic brows over the outlook for the next fifty years in Canada. Despite a depression, (it was 1931) the business remained in good hands—those of George Weir, manager of The London Guarantee and Accident for Canada and Newfoundland, and casualty manager of the Phoenix Assurance Co. Ltd., and the Union Marine and General Insurance Co. Ltd., for Canada and Newfoundland. They were reassured.

One problem worried the men at the board-room table, however. Satisfied as they were with results of the last half century, they continued to ponder the fact that someone would have to succeed Mr. Weir before the end of the next fifty years.

They chose Leonard Weightman and in 1932 he came back to Canada as assistant casualty manager of the Phoenix group (Phoenix, London Guarantee and Union Marine).

Succeeds George Weir

He remained in that capacity as assistant to George Weir and became thoroughly familiar with all phases of the company's business in Canada. He was appointed this year to succeed Mr. Weir, who retires after twenty-eight years' service with The London Guarantee. Twenty years of Mr. Weir's service with the famous British insurance organization were spent as manager for Canada and Newfoundland. He was also, in recent years, casualty manager for Canada and Newfoundland of the Phoenix and Union Marine.

Mr. Weir, has been invited to become a director of the Canadian board of the Phoenix Assurance Co. Ltd.

Head office of The London Guarantee and Accident for Canada is in Toronto and the head office of Phoenix is in Montreal. But the casualty business of the Phoenix group is directed from Toronto, under Mr. Weightman as casualty manager for Canada and Newfoundland, while the fire insurance business of the whole group is under the direction of C. W. C. Tyre, manager for Canada of the Phoenix Assurance, and fire manager for Canada of the Phoenix group, with headquarters in Montreal.

Mr. Weightman is a member of the council of Toronto Insurance Institute, and convener of the Casualty Educational Committee. He was active in the negotiations between the Toronto and Montreal institutes which led to the scheme of collaboration between the two.

As a result of his efforts in that direction, standardization has been effected between the two institutes for lectures and examinations for insurance diplomas.

Would Exchange Officials

"If there were a greater interchange of senior company officials between the large business institutions of Great Britain and Canada, both countries would benefit," Mr. Weightman told The Financial Post. "The conservative traditions of English business and the newer conditions prevailing in Canada can teach many lessons of value to both English and Canadian business.

"In place of the invidious comparisons which are sometimes made, a constructive view of the merits of both English and Canadian business methods can be mutually advantageous."

The truth of the remark is illustrated in the case of "The London Guarantee," by its continued growth in Canada.

U. S. Prudential Has $16 Billions

When superintendents and managers gathered from Canada and the U. S. at the annual business conference of Prudential Insurance Co. of America last week at Newark, they learned from president E. D. Duffield that the company now has more than $16 billions of insurance in force.

At the end of December the total figure was $15.9 millions, of which $6.8 millions was industrial, $7.9 ordinary and $1.2 group coverage. The gain in insurance in force for the year was $565 millions.

A feature of the meeting was a discussion of the present form of democracy by two intellectual leaders—Principal A. E. Morgan of McGill and President H. W. Dodds of Princeton.

Health Insurance Will Be Debated

Ontario Medical Association to Study Draft Bill

Ontario's medical profession, concerned over the trend toward state medicine, will study the matter in detail when the Ontario Medical Association meets in London next month.

A draft bill, suitable for provincial legislative action, and embodying a health insurance plan, will be placed before the association for discussion.

Recommendations to be studied in connection with health insurance are:

That the provincial administration be entirely non-political.

That local committees be similarly constituted.

That each head of a family carry an equal burden of the cost regardless of the number of dependents.

That indigents be classified and premiums levied on a sliding scale according to income and the number of dependents.

No Price Barrier

No economic barrier can be possible between doctor and patient with regard to any of the benefits, it is agreed by observers of conditions affecting health insurance legislation. Uniform remuneration so far as possible and hourly nursing service or continuous nursing service are also envisaged as integral parts of any new state health insurance plan.

WANTED

Hail insurance agency for Province of Saskatchewan. Address Post Office Box 362, Regina, Sask.

Would Widen Securities Act

B. C. Man Sees Too Much Power in Hands of One Man

BUT FOR CONTROL

From Our Own Correspondent

VANCOUVER.—G. L. Fraser, in an address before the financial and real estate bureau of the Vancouver Board of Trade recently, expressed the view that the British Columbia Securities Act should be amended to permit an appeal from the superintendent of brokers to a judge of the supreme court.

This would meet the objection against absolute power being in the hands of one individual or group of individuals.

"An objective and impartial investigation of pools has shown that they serve no useful purpose," he declared. "A curb should be placed on directors who disregard their trust relationship, and full disclosure by them to their shareholders should be insisted upon. The Washington Exchange Bill of 1934 requires the disclosure of the share holdings of officers and directors and prompt disclosure of any changes that occur in their corporate holdings. We could usefully adopt the same procedure.

"Floor trading and 'in and out' trading by brokers to stimulate the market should be banned," Mr. Fraser continued.

"The new act in Washington prohibits excessive trading by members of the floor who are at times tempted to stimulate the market by 'in and out' trading which costs them nothing more than the nominal commissions paid to the other brokers. Speculation, manipulation, investors' ignorance and disregard of trust relationships by those whom the law should regard as fiduciaries are all a single seamless web. No one of the evils can be isolated for cure of itself alone."

Ready to SERVE YOU

You have in your mind a list of people in your community who are ready to serve you in various capacities — the doctor, the dentist, the banker, the lawyer, the clergyman, each in his own field.

Add to this list the life insurance agent, who is especially qualified to advise you regarding your financial problems. With his help you can plan for the education of your children, the protection of your family, the security of your business, your own financial independence.

The Sun Life representative in your community is at your service. It will pay you to consult him.

SUN LIFE OF CANADA 1865 1936

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.* HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
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Savings in *Partnership*

"L-M-C" has been a unique silent partner, demanding no profits, yet contributing much to the success of some of the world's largest industries ever since organization 23 years ago. For "L-M-C" savings on the cost of Automobile and general casualty insurance have given policyholders extra funds to defray other business expenses. Write for details of how "L-M-C" Security, Service and Savings, under non-assessable policies, may aid you.

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NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies — Assets $6,000,000.

FIFTY-FIFTH ANNUAL REPORT
Shows Strong Position Maintained

REVENUE ACCOUNT

Premiums (Fire, Accident and General) Net	$34,465,900
Interest and Rents	1,285,040
	$35,750,940

BALANCE SHEET, 31st DECEMBER, 1935

ASSETS

Government, Provincial and Municipal Securities	$15,595,383
Railway Stocks and Debentures	17,907,630
House Property—Corporation's Offices, less depreciation	5,699,333
Branch and Agency Balances	6,849,732
Shares of Companies controlled	3,055,097
Amounts due from subsidiaries and other companies	338,305
Interest and Rents Accrued	313,523
Cash in hand and on Deposit	2,178,962
	$51,937,965

LIABILITIES

Capital paid-up	$ 1,923,863
Insurance Funds	12,822,828
Reserve for outstanding losses, estimated	17,749,540
Amount due to other companies and agents	915,985
Sundry Creditors (including outstanding and accruing expenses and taxes)	2,525,517
Unclaimed Dividends	1,941
Deposits at Interest	33,590
Loan Account	400,000
Provision for Final Dividend, 1935	618,041
Reserve in respect of Merchants Marine Insurance Co. Ltd.	2,000,000
Balance of Appropriation Account	446,660
	$39,437,965
Net Surplus	12,500,000
TOTAL	$51,937,965

($5 taken as equivalent to £1 sterling)

Deposit with the Receiver General at Ottawa for the sole protection of Canadian Policyholders as at December 31st, 1935—$2,814,486.32

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED OF LONDON, ENGLAND

Head Office for Canada
INSURANCE EXCHANGE - - - - MONTREAL
JOHN JENKINS: *General Manager for Canada and Newfoundland*
E. L. MARSHALL: *Assistant Manager*
S. G. REID: *Manager for Ontario* JOHN FANNING: *Asst. Manager for Ontario*
CANADA LIFE BUILDING, TORONTO

For Security and Stability—Insure with the
Confederation Life Association
Head Office Toronto

Oil Allowable To B.A. Grows In Oklahoma

Development Will Give Net Profit of $306,616 Monthly

19,284 BBLS. DAY

Following the visit of Seymour Trent, a partner of Hambly, Peaker & Trent, to the Oklahoma City extension oil field to study on the spot the situation created by the British American Oil Co. drilling operations, the company has issued two bulletins to clients advising them of results of their estimates. The latest bulletin says present development should give a monthly net profit from this field alone of $306,616.

This calculation is on the basis of a present minimum interest of the company in present production of 19,284 barrels. At the rate of $1.18 a barrel this would give the company a gross of $22,752 daily or $682,563 monthly. Estimating the cost of getting the oil out at 65 cents a barrel, the result is $306,616.

The British American Oil interest in Capital Oil Pool wells is shown statistically as follows:

Wells Owned 100%

	April Daily Potential barrels
Piersol No. 1	15,036
" No. 2	25,031
" No. 3	27,813
" No. 4	27,949
" No. 5	20,715
Daily total	16,544
10 p. c. allowable	11,654
Owned jointly by B-A Oil and Midway Oil Co.	
Mary Green No. 1	11,354
Mary Green No. 2	26,665
Hayes Highland No. 1	20,659
Hampton No. 1	9,068
Kirsch No. 1	11,217
Powell No. 1	18,984
Roanoke No. 1	21,136
Russell No. 1	23,705
Winders No. 1	9,825
Daily total	152,613
10 p.c. allowable	15,261
B-A Oil share	7,630

Wells in Progress

Phillips and British American Oil

No. 1 Hagen—drilling at 1,400 feet.
No. 1 Liberty— " " 1,340 "

British American Oil 50% Interest

No. 1 Burnham—drilling at 5,610 feet.
No. 2 " " " 5,154 "
No. 1 McNabb " " 4,298 "
No. 2 " " " 4,390 "
No. 3 " " " 4,340 "
No. 4 " " " 3,335 "
No. 5 " " " 2,300 "
No. 6 " " " 2,405 "
No. 1 Warr—drilling at 2,446 ft.
No. 2 Alta Vista Block 4,721 ft.
No. 1 Summit Tuxedo Park—Rig on ground.
No. 1 Gast—Rigging tools.
No. 1—Elliott Block—Moving in.
No. 2 Hampton Block—Digging cellar.
No. 1 Clarke—Digging cellar.

All these wells in progress are owned jointly by B. A. Oil and Midway Oil Co.

Winnipeg Electric Plan Is Operative

Exchange of Securities Is Going Ahead — List New Stock

From Our Own Correspondent

MONTREAL.—General plan of consolidation and readjustment of the capital structure of the Winnipeg Electric group of companies has been declared operative. The plan received the approval in 1935 of all the security holders and has since been sanctioned by the Manitoba Public Utilities Commission.

Arrangements are being made for the exchange of securities and it is expected that this will be effected some time before June.

New Class A and B shares of Winnipeg Electric Co. are now being traded in on the Montreal and Toronto stock exchanges on a when, as and if issued basis. Approval covers 281,712 shares of Class A stock and 283,581 shares of Class B.

Of the new Class A shares, 63,000 go to holders of Winnipeg Electric 6 per cent bonds; 30,660 to the Winnipeg Electric 5 per cent bonds; 103,696 shares to Manitoba Power Co. bondholders; 80,000 shares to Northwestern Power Co. bondholders; 356 shares to Winnipeg, Selkirk and Lake Winnipeg Railway Co. bondholders and 4,000 shares to bondholders of the Suburban Rapid Transit Co.

The B shares are distributed as follows: 25,000 to preferred shareholders of Winnipeg Electric Co.; 244,772 to Winnipeg Electric common shareholders; 8,057 to Manitoba Power common shareholders; 5,752 to Northwestern Power Co. common shareholders.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Spain — Business is hampered somewhat by the uncertainties as to the policies of the new government and by the prevalence of social disturbances.

Germany—The wholesale price index has remained steady this year at a higher figure than the 1935 average.

Sweden—Imports and exports increased during January, and the total trade was the largest for any January since 1930.

Austria — Industrial production and foreign trade are maintaining the improvement initiated during 1935.

Greece—Exports in January were considerably smaller than last year, largely because of reduced tobacco shipments, while imports rose slightly.

Egypt—The export surplus of foreign trade was smaller this January than last, owing to heavier imports and declining exports.

Australia—Business confidence remains strong, weather conditions are generally excellent, and price increases in wool, wheat, and butter are providing encouragement.

New Zealand—Evidences of the marked improvement in conditions are found in larger electric power consumption, heavier receipts from the sales tax, and gains in building permits, land transfers, and shipping tonnage.

Hawaii—Experienced gains in the first quarter of 1936 which surpassed those recorded in the same period of last year; new construction projects are featured by family dwellings.

China—Continues to show evidences of modernization, the most recent developments being extension of long-distance telephone and of electric power services.

Galt Folk "Dig Down" —

Ontario City's Share of Direct Relief Costs Raised Entirely by Private Subscription

In handling its relief situation, the city of Galt, Ont., occupies a rather unique position among Canadian municipalities in that its share of direct relief costs during the past four years have been entirely met from private subscriptions of its citizens rather than out of tax revenue.

Total relief costs have amounted to about $120,000 annually, a third being contributed by the federal government, a third by the provincial government and a third by private subscriptions of citizens. In most cases the city's share is raised through the tax levy.

The above figure includes only direct relief costs. In addition, there has been the cost of charity such as hospitalization and child welfare, which has been taken care of out of tax revenue. In 1934, the sum of $16,697 was expended for this purpose.

The scheme was initiated in the fall of 1931 when a public meeting was called to discuss the advisability of meeting the growing cost of relief other than by taxation. The meeting was attended by heads of manufacturing firms, merchants and representatives of practically every organization in the city, and it was their unanimous decision that it would be in the best interests of the city as a whole, and more particularly to the small taxpayer and home owner, if the tax rate was not increased to cover the city's share of the cost of direct relief.

Raise $40,000 Per Year

An organization known as the Galt Community Relief Committee was formed. Commencing with 1932, this body for four successive years raised the city's share of relief costs, amounting to about $40,000 annually. Well-to-do citizens, insurance companies, manufacturing concerns, merchants, etc., made substantial donations. Salaried persons and employees of shops and factories gave a percentage of their earnings for 10 months of the year.

During 1932 the relief money was administered on a work and direct relief basis by the mayor and the chairman of the civic board of works. However, a change was made in November, 1932, the citizens who were responsible for raising the fund appointing their own organization, a welfare board. This board together with two representatives from the city council was made responsible for the administration of relief.

Chisellers Eliminated

In connection with this, Charles T. Chesney, city treasurer, states "this is one reason why we believe that relief in Galt never got out of hand. This board was in a sense spending its own money and the subscribers, through their representatives, soon checked up on the so-called 'chisellers'."

All relief vouchers issued by the welfare board to merchants were paid by cheque by the city treasurer, who in turn received monthly cheques from the Community Relief Fund for the city's share of the relief cost.

To be Paid Out of Taxes In 1936

With the worst of the depression over, the city is now returning to its former method of meeting relief expenditures, the estimated costs for 1936 being included in the tax rate. It has not been necessary however to increase the tax rate. Meanwhile the burden on taxpayers has been considerably alleviated. If relief costs had been met out of taxes during the past four years it would have been necessary to raise the tax rate by four mills.

Functioned As Employment Bureau

William Philip, retired bank manager, who has acted as chairman of the welfare board, has the following comment to make:

"A thorough system of inspection and reports was inaugurated and with the co-operation of all employers the earnings of each household was ascertained. By this method, relief was held within reasonable bounds. The welfare board also functioned as an employment bureau with considerable success.

"The worst of the depression has been met, and while in 1936 the city will levy for necessary relief funds, the tax rate will not be increased. The voluntary method of the past four years has given the city a breathing space in which to put its finances in excellent condition.

Welfare Board to Continue

"The welfare board which was organized late in 1932 to administer the voluntary funds, is still functioning as a city-appointed board. Whatever success has been achieved in the handling of relief in Galt can be attributed to the application of competent business methods to the situation. The board has tried to be fair but firm in considering all appeals for relief. As a result there appears to be, on the whole, a feeling of appreciation by recipients and a deeper sympathy for the problems of the unemployed by the community generally."

SALES MANAGER

C. N. LANGFORD

Who has been appointed sales manager of Viceroy Manufacturing Co. Ltd., West Toronto. Mr. Langford has been divisional manager at Winnipeg for the Viceroy Company for several years, in which capacity he is succeeded by W. A. Pope.

Cotton Imports From U.S. Higher

From Our Own Correspondent

MONTREAL. — Canadian cotton imports at the first quarter of the current year are featured by an expansion in imports from United States and a contraction from those in the United Kingdom.

Imports from all countries for the quarter totalled 7.8 million pounds, an increase of 4.6 per cent over the corresponding period of 1935. British shipments to this market fell by 7 per cent, while those from the United States increased 41 per cent.

More Piece Goods

Of the five important classifications, piece goods is the most important, and in this class Canadian purchases from the United States rose from 930,663 pounds a year ago to 1.4 million pounds in the past quarter. At the same time purchases from the United Kingdom fell by 14 per cent, 3.2 million pounds comparing with 3.7 million pounds.

Of the other lines, comparison with a year ago shows British shipments unchanged to 50 per cent higher, the latter being in the least important class, while purchases from the United States show a range of 5 to 210 per cent gain.

Is It Worth While Having Ford Operate in Canada?

President Says Company Spends $1.48 For Every $1 from Here

DELAY DIVIDEND

Is it worth while for Canadians to have Ford of Canada making and selling cars in Canada? Would the advantage to consumers of a lower price for cars in case protection by customs duties was removed make up for loss of employment and of purchasing of Canadian materials by this large company?

To answer those questions Wallace R. Campbell, president of the company, analyzed expenditures in Canada and comparative sales prices on both sides of the international line at the annual meeting.

Ford of Canada sold cars in Canada for $24 millions and disbursed in Canada in 1935 $33.9 millions exclusive of customs duties and $35.4 millions including customs duties. It spent in Canada $11.5 millions more than it received from Canadian customers. This is equivalent to $1.48 spent in Canada for every $1 received from a Canadian customer.

U. S.-Canadian Prices Paid

Wholesale price of $23.5 millions for Ford products sold in Canada was nearly $4.5 millions above comparable prices in the United States. This included $1.5 millions paid by the company to the Dominion government on imported materials so that the net differential was nearly $3 millions.

All Canadian disbursements were 11 times this net differential. All wages and salaries at $10.7 millions were 3½ times. Purchases of Canadian materials and supplies and miscellaneous services were $19.1 millions, six times the net differential. Freight rates paid to Canadian transportation companies totalled $3.4 millions, as much as the net price differential. Tax payments, aside from customs duties, were $752,527, one quarter of the net differential.

Taxes Are High

The average retail price of a Ford car in Canada nowadays includes more than $100 in taxes, says Mr. Campbell. Taxes of $2.3 millions paid in 1935 amounted to 10 per cent of the entire value of sales in Canada.

That estimate does not include sales tax on the value of the completed vehicle or provincial license fee which adds an average of $64.86 per vehicle.

Mr. Campbell stated that the growth of economic nationalism in other countries had checked for the time being at least the expansion of the Dominion's exports of primary products. A change did not seem likely in the near future and it was therefore all the more important to maintain and develop those secondary industries which are capable of operating with reasonable efficiency in Canada even if it was at a somewhat higher cost. He thought this the most promising method of utilizing the man-power, equipment and resources of Canada.

Tariffs and taxation have been in a state of chaos since 1926 so far as they apply to automobiles and allied industries in Canada, charged Mr. Campbell. Parliament had the right to do what it wanted to do but some reasonable degree of continuity in tariff policy should be fairly expected. No rational planning could be done otherwise, he said.

Company's Contribution

Mr. Campbell, in the course of his remarks, gave the following statistics about the company:

Cars sold	79,844 units
Cars exported	47,535 units
Sold in Canada	32,309 units
Total sales	$46.6 mil.
Average employment, 1935	7,274
Paid to employees, 1935	$10.7 mil.
Aver. employment, 1934	4,759
Paid to employees, 1934	$6.5 mil.
Hourly employees, 1935	6,699
do., wages	$9 mil.
Individual aver.	$1,341
Time served average	7 years
No age limit	¼ over 45

Awaiting Budget

Nothing was said about the drop in sales during the first quarter of 1936 to 2,739 cars in Eastern Canada as compared with 3,389 cars for the same quarter of 1935. This is a drop of 19 per cent as against an increase for all cars of 17 per cent in Eastern Canada and an increase of 4.1 per cent in all Canada. But Mr. Campbell advised shareholders that no dividend would be considered until after the budget speech is delivered at Ottawa. It would be unwise until the board could see what measure of protection was allowed. In 1934 and 1935 combined profits were $2.30 a share and dividends $1.75 a share. Prompt consideration will be given to the dividend problem as soon as the budget has been delivered and can be assessed as to its effect on the Canadian industry.

Beauharnois Asks To Export Power

Beauharnois Light, Heat & Power Co. is asking Ottawa to give the right to export from Canada the amount of power which has already been refused by Ontario Hydro Electric Power Commission. A bill before the Quebec house has been given the second reading to extend the radius around the town of Beauharnois within which the company may supply, sell and distribute light, heat and power.

Formerly the radius was 40 miles but by the new bill the Quebec parliament is asked to extend the radius to 60 miles. That will enable the company to deliver the power at the international boundary.

Judgment in the Sifton suit for commission for services in securing certain rights has been reserved. The suit of Transportation Power, asking for an accounting and aiming at eventual ownership of Beauharnois is also pending. This week junior bondholders are meeting.

Court Approves Silverwood Plan

Reorganization Scheme Can Now Proceed to Completion

Silverwood's Dairies Ltd. has obtained a court order from Hon. Justice R. G. Fisher approving the reorganization of the company's affairs and of its capital. The company is now in a position to carry out the plan as approved by shareholders. It is understood the scheme will be completed as soon as possible.

The reorganization involves acquisition of all the undertaking of the numerous Silverwood subsidiary dairy companies. Ownership and operation will be under the one company.

Features of Plan

The capital re-arrangement involves exchange of each present 7 per cent preferred share of $100 for $50 of 6 per cent debentures and 5 new preference shares. The present 975,000 class A shares would be exchanged for the same amount of new common shares.

The plan contemplates issue of $1.2 million of new 5 per cent first mortgage bonds to redeem present mortgages and to add some $225,000 to working capital.

Winnipeg Hydro Expects Surplus

Manager Thinks Era of Deficits Over For While

While reporting annual deficits of the Winnipeg Hydro Electric System from 1932 to 1935 inclusive, J. G. Glassco, manager, reminds readers of the annual report for 1935, just issued, that in the 19 years from 1913 to 1931 there was an operating surplus for each year except three. As a result an operating surplus of $537,822 and financial reserves of $9 millions were built up. The funded debt of the utility then amounted to $23.7 millions.

The deficits from 1932 to 1935 are attributed partly to more power having been acquired than could be sold during the depression period and partly to the excess operating costs during the early stages of the Slave Falls plant development. The operating deficit in 1935 was $219,421 and the accumulated operating deficit $834,944. As an offset there is a contingent reserve of $800,000.

Steam Loss and Gain

During the depression all interest charges and sinking fund levies were promptly paid. The reserves now are nearly $11.8 millions, or 46.2 per cent of the funded debt of $25.5 millions. The estimates for 1936 provide for a deficit of $9,400 but Mr. Glassco judges from experience to date that there will be a surplus. In following years still larger surpluses are expected.

The steam heating division lost $4,301 against a surplus of $759 in the preceding year. This was due to additional cost of fuel and water of $4,500 and maintenance expenses of $3,000 but sales were higher by $3,200. Hydro's revenue from this source was $107,842. Capital debt of $1.5 millions is being retired quicker than the loss from depreciation. Street lighting was cheaper and better in 1935.

Total revenue from 94,754 customers who took 491.4 million k.w. in 1935 was $3 millions. The average rate over all was .601 of a cent per k.w. hour net, .86 of a cent less for electric boilers and .828 of a cent for the domestic rate only. The average annual domestic consumption per customer was 4,616 k.w. hours.

Of total assets of $38.2 millions, capital assets amounted to $37.3 millions and current assets to $907,974. Of capital assets $10.6 millions were liquid assets. Total capital liabilities consisted of $25.5 millions funded debt and $11.8 millions reserves. Current liabilities were $1.7 millions including bank loan of $1.2 millions.

The statement carries a picture of two 12,000 h.p. generators at Slave Falls power plant and it shows also where an additional generator will shortly be installed. This has been a matter of considerable debate in Winnipeg.

A.N.P.A. Threatens Newsprint "Boycott"

Annual Stand Adopted by American Publishers

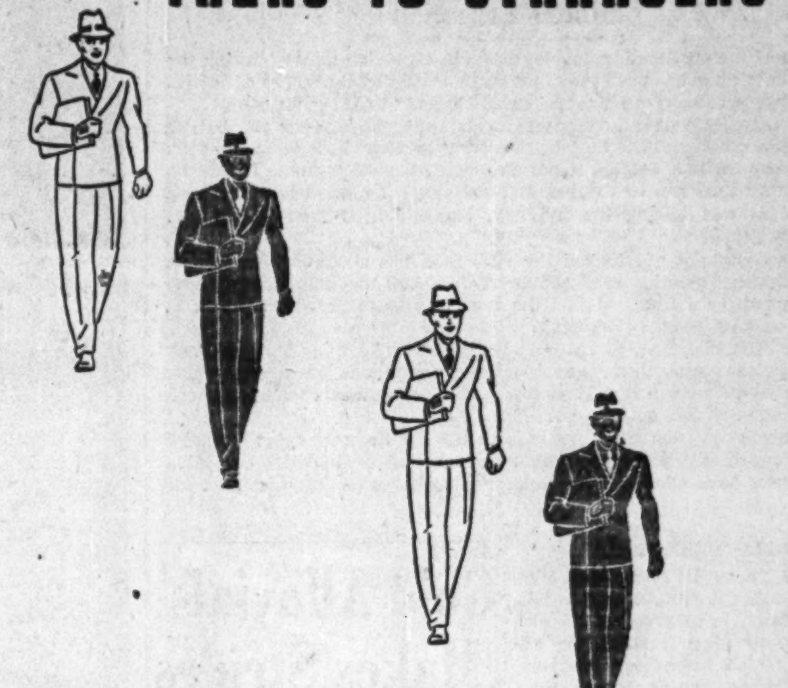
From Our Own Correspondent

MONTREAL.—Following its customary practice, the Paper Committee of the American Newspaper Publishers Association, headed by William G. Chandler of Scripps-Howard Newspapers, recommended members of the association should buy newsprint as much as possible from American or European paper mills in order to "save themselves from threatened price control by Canadian manufacturers in coalition with the Canadian government."

Claiming that to be the only defense publishers have against intervention of the governments of Quebec and Ontario to force artificially an increase in newsprint market prices, Mr. Chandler urged members to place their commitments as far as possible with United States mills, with whose government they can deal directly, or with mills operating in foreign countries whose governments have not threatened to interpose themselves into the newsprint market. Further, he asked the publishers to encourage the development of a new paper producing industry in the Southern States.

In his report, Mr. Chandler spoke in favor of the unrestricted free entry of newsprint. He argued that a tariff on import of newsprint especially at a time of rising consumption, would inevitably lead to a higher price for newsprint than under present conditions.

THE *Shadow* THAT TALKS TO STRANGERS



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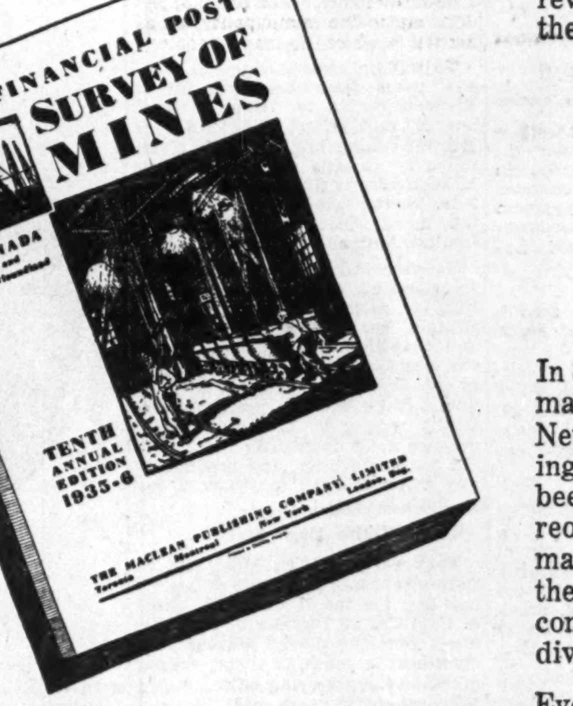

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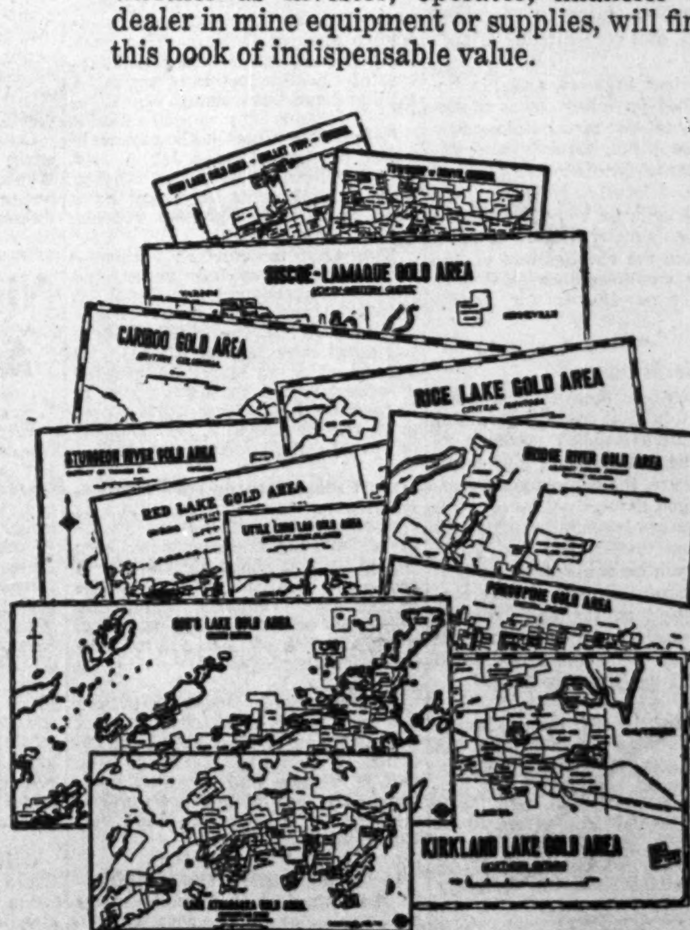

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The Week in Mining

Stocks in B.C. Survive Securities Act Bogey

Rise in the West Noticeable in Past Month or Two—Minto's Sensation

One of the outstanding developments in Canadian mining during the past month or so has been the rapid strides made by the stocks of British Columbia producers on Vancouver and other Canadian markets.

For some time after the market rise started in the east last fall, British Columbia mining stocks lagged noticeably behind. Visitors to the west reported a distinct apathy, if not antipathy, toward mining. In certain quarters, a loud cry was raised that government supervision of mining promotion was killing the industry, and a laissez faire policy was strongly urged.

This complaint overlooked the vital fact that obviously the trouble with British Columbia mining, marketwise, was that public confidence had waned, as a result of just the type of promotion which the B. C. Securities Act sought to destroy.

The Financial Post, particularly in its National Mining Number, took the view that sane supervision of mining promotions was not the cause of market dullness in B. C., and that such a policy would tend to restore, rather than shake, public confidence.

In any event, the B. C. Legislature left the Securities Act virtually alone, and it is rather significant that shares of most British Columbia companies have enhanced in value ever since the government took the step.

Satisfactory Annuals

IN ITS market letter for May, Wolverton & Co. Ltd., a firm which, incidentally, is celebrating its 30th anniversary May 1, notes the advances which have been made by purely B. C. mining shares since March 1. Such companies as Bralorne, Pioneer, Cariboo Gold Quartz, Reno and, of course Minto, have all shown marked advances in the past two months. In addition to the air-clearing reaction to the government's policy, the publication of very satisfactory annual reports by such companies as the above, helped to swing this confidence back to western issues.

* * *

Minto's Dramatic Rise

MOST dramatic of all rises in British Columbia stocks has been that of Minto Gold Mines, whose stock rose from eight cents per share on March 1, to a high of 94 cents. This remarkable rise was due to the rich strike made on the river level tunnel of the mine, which has, at time of writing, indicated a body of ore at least 250 ft. long, with average values of better than 2 ounces gold to the ton over widths averaging about 4 ft. According to the report of B. T. O'Grady, government engineer, there is reason to believe that the ore body continues to depth. Western mining observers have termed the Minto strike one of the most important developments in B. C. mineral circles for some time.

* * *

Mining Markets Follow New York

CANADIAN mining markets have reacted in sympathy to the break on Wall Street, although the connection appears to be psychological rather than physical. Chief causes of the break in New York appear to be the Leftist tingle to the French elections, and fear of Roosevelt's proposed tax bill. It is difficult to see why these two factors should affect Canadian mining stocks.

The only other development of any importance in the international picture was the departure of Poland from the gold standard. Among the major nations of the world, this leaves only France, the Netherlands, and Switzerland on the gold basis.

Here again the connection, if any, with Canadian mining is remote and indirect. As frequently remarked in these columns, the complete abandonment of gold by world nations can only be a step toward international currency stabilization, and it is the view of most observers that gold prices will not suffer materially from such a stabilization.

* * *

Ten For One

LAST week comment was made on the address of Mr. Justice Manson, of the Supreme Court of British Columbia, in which he stated that the mining industry could solve Canada's unemployment problem.

Verification of this vital statement comes from an entirely different source, in the proposals, carried in another column, of Charles V. Corless, one time manager of The Mond Nickel Co., and very capable mining engineer.

Mr. Corless believes, and his belief is based on many years of experience, that one man employed by a mine supports, directly and indirectly ten others in other parts of Canada, and locally.

If relief projects could be administered on a similar basis, ten benefitting from the employment of one man, few would criticize vast government expenditures for public works.

* * *

But is it Mining?

YOU can't beat the resourcefulness of the Canadian mining man. For example, in a circular recently issued by the promoters of a Michipicoten venture, the company expresses its dogged determination to "sink the shaft to sea level," the suffix, "or bust" being understood.

While such an achievement might add to the tourist trade, it is reminiscent of the business man's remark on being urged to enjoy a toboggan ride: "What can I see from down there that I can't see up here?"

Texas Canadian Oil Corp.—Application for listing an additional 1.5 million shares of Texas Canadian on the mining section of the Toronto Stock Exchange has been granted. The new shares are those authorized by special resolution of the company March 24, making total capitalization of the company now 2.5 million shares.

Red Lake Gold Shore Mines.—The pool on 1.5 million shares which was to have expired April 1, has been extended for one year. This stock was vendor stock.

Gold Alluvials Makes Strides

May Boost Output by End of May

At the Sanderson Mine of Consolidated Gold Alluvials of B. C., it is expected all the water will be pumped out by the end of May, Ian C. Sanderson, managing director, told shareholders at a recent meeting in Vancouver. At that time it is expected the daily output can be raised from the present 450-500 cars a day to 900-1,000 cars a day, and production rise to between 1,000 and 1,500 ounces per month.

Consolidated Gold Alluvials is developing by means of an interesting new method, a placer gold lease on Lightning Creek, near Wingdam, Cariboo district, B.C.

Despite several set-backs in 1935, chief being a disastrous fire in August, and a run of slum at the Melvin shaft, from which the main operation of dewatering the preglacial gutter is being carried out, directors and management expressed their satisfaction with development work during the year.

In the company's balance sheet as at Dec. 31, 1935, a deficit in working capital of $325,245 is indicated. Current assets amount to $91,325, as against $416,570 on the other side of the ledger. Current liabilities include advances guaranteed by shareholders, of $377,680, for which options on 400,000 shares at 80 cents per share have been granted.

In spite of an interruption of from four to six months caused by the fire, production for the year totalled $76,800 in gold. Prime costs were $48,035.

The total expenditure on mine account during the year was $371,544, of which $225,610 was capital expenditure and the balance of $145,934 made up of general development.

At the Mines

Algoma Mining & Finance Corp.—All payments provided under the underwriting and option agreement dated March 6 have been extended 30 days, so that the next payment will fall due May 5, this company informs the Toronto Stock Exchange.

* * *

Astoria Rouyn Mines.—In consideration of the purchase of 40,000 shares at 5 cents per share, the time for the payment of the first installment under the agreement dated Feb. 15, has been extended from April 14 to May 15 and all subsequent payments have been extended.

* * *

Athona Mines.—After spending over $250,000 on development of its property in the Goldfields area of Lake Athabaska, this company hopes to definitely ascertain ore volume by July, J. J. Byrne, president, has stated. Whole future of the field depends on volume, it is stated.

* * *

Edgecreek Gold Mines, (1936) Ltd.—Has been formed to acquire the assets of Edgecreek Consolidated Gold Syndicate, in the Beatty-Munro area of Ontario. The company has an authorized capitalization of 4 million shares of which 1.4 million have been issued.

* * *

Lebel Oro Mines.—All payments under the option dated Jan. 4, 1936 on 650,000 shares at prices ranging from 5 to 12 cents per share have been made, this company reports.

* * *

Manitoba & Eastern Mines.—Installments provided under the financing agreement for April 30, March 30 and June 30 have been met, and in consideration of these payments the company has, by agreement dated March 30, granted a further option on 25,000 shares at 15 cents to Dec. 1, 1936; 25,000 shares at 20 cents by April 1, 1937 and 25,000 at 20 cents by August 1, 1937.

* * *

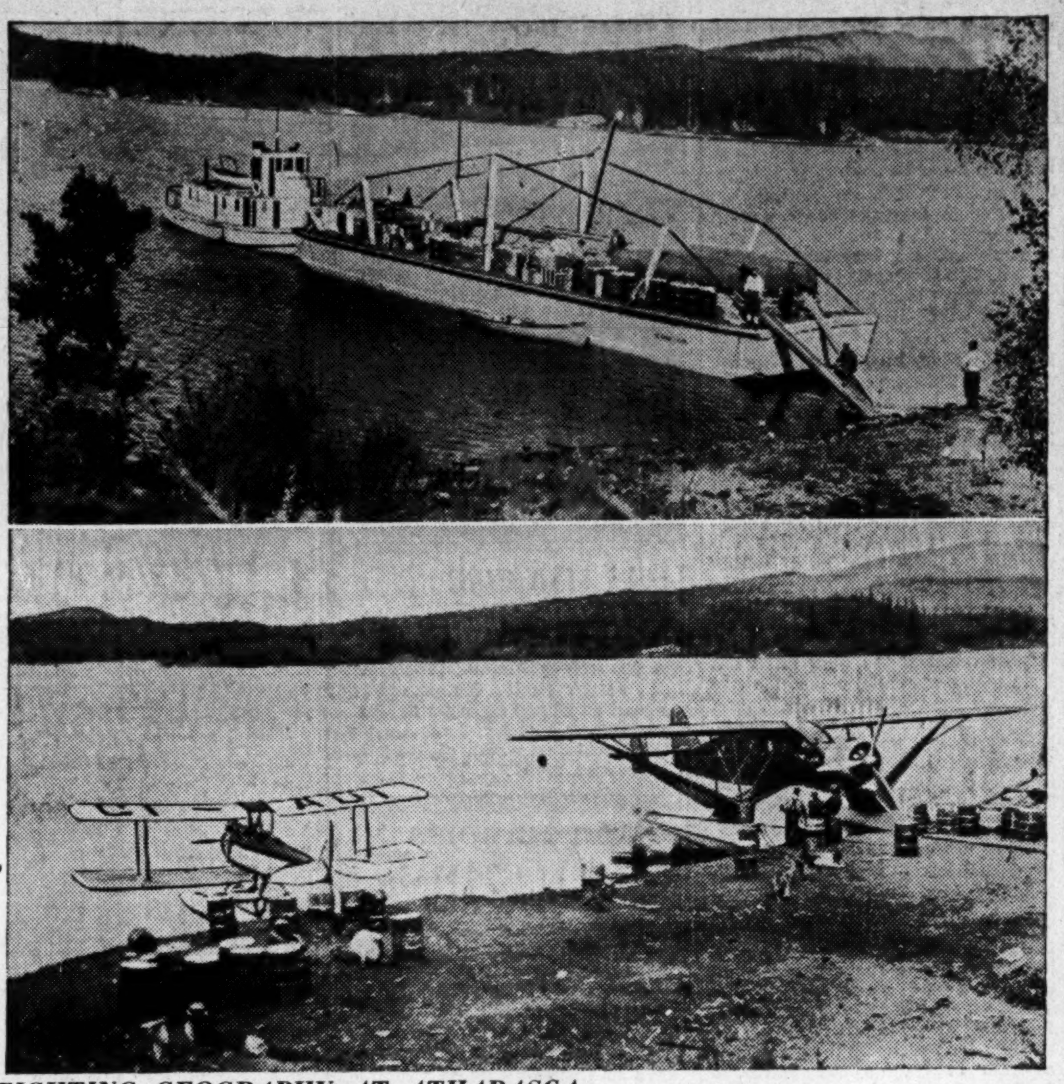
McWilliams-Beardmore Mines.—Drilling on this property, adjoining Northern Empire Mines at Beardmore, Ont., has intersected the main No. 13 vein at about 200 and 300 ft. depths, J. Walter Evans, in charge of operations, reports. This main vein on surface has an estimated average width of 15 ft. and an indicated length of 3,450 ft.

* * *

Preston East Dome.—Provision has been made on 400,000 shares of this company to be issued for properties in Sudbury North division and in Tisdale and Whitney twps. This stock is to be held in pool until released by the Ontario Securities Commission.

* * *

South Vermillion Gold Mines.—In the Rainy River district reports that shaft sinking is proceeding to the 150 ft. level. Channel samples taken at 5 ft. intervals while sinking on the main vein gave values of over $40 per ton, with gold at $35, A. E. Broadley, president, claims.



FIGHTING GEOGRAPHY AT ATHABASCA

The ingenuity of the mining fraternity is being put to good use at Goldfields, Canada's newest gold camp at Lake Athabaska, in the northwest corner of Saskatchewan. One of the chief problems is the transportation of the thousands of dollars worth of supplies needed in the opening up of a new camp. Thanks to the airplane and the scow, two counterparts in transportation methods, this problem is being successfully overcome. Above is shown a schooner and scow arriving at Goldfields with an assorted cargo of supplies. Deep water makes it possible to tie the scow close to shore. Below is a view of some of the airplanes during the open water period. Regular service is maintained from Edmonton and McMurray, in Alberta, and Prince Albert, Saskatchewan.

Hon. Mike Dwyer

Title Shows Nova Scotia Minister of Mines Combination of Executive and Workman

If political sharpshooters are out to "get" Hon. Michael Dwyer, they would do well to confine their efforts to sniping, and not come too much into the open.

Because "Mike" Dwyer is an Irishman by birth, and a Nova Scotian by choice, a combination which takes considerable "getting," provided, of course, only verbal shillelaghs, and such clean cut weapons are used in the process.

It is doubtful if Nova Scotia's Minister of Labor, Public Works and Mines was ever more popular than he is right now. His plucky showing during the trying ten days of the Moose River affair, during which he rose from a sick bed, and, still feverish, descended several times into the death-fraught Reynolds shaft, has made him almost a national figure. But national figures make extremely good targets for the back-benchers.

To mining men throughout Canada, press dispatches from Moose River referring to "Hon. Michael Dwyer" read strangely, so used were they to calling him "Mike." If familiarity breeds contempt, then Mike Dwyer is the exception to the rule, as the familiarity implied in the name "Mike" bears not the faintest hint of contempt.

To give Mike Dwyer his proper Irish setting, it is sufficient to say that his mother's first name was Bridget, her maiden name Doyle, and that the future cabinet minister was born at Kilnamanah, County of Tipperary, Ireland. When young Mike was six years old, his family came to Canada seeking greener fields than even the Emerald Isle could offer, and just naturally stopped when they got as far as Nova Scotia.

"Office Boy" Start

Very early in life, Mike had to start work, and got a job as an office boy for the Nova Scotia Steel & Coal Co. at Trenton. From this lowly post, he moved through the open-hearth, machine shops, rolling mills, and engineering office, and in 1902, when 25 years old, he was transferred to Sydney Mines as chief draughtsman for the new steel plant then under construction. By this time, young Dwyer had little doubt as to his calling, and proceeded to make certain doubly sure by a course in mechanical engineering at Scranton, Penn.

On his return from Scranton, he again started work at Sydney Mines, where he remained until he resigned to become president of Indian Cove Coal Co. in 1922.

—*Drawn for The Financial Post by R. Kaell.*

HON. MICHAEL DWYER

It was probably inevitable that a man of Mike Dwyer's energy and aggressiveness should quit this comparatively comfortable berth after ten years, and enter politics in a province not noted for its peaceful political affairs. In 1933, he was elected to the Nova Scotia legislature for Cape Breton Centre, and on the formation of the government, was appointed Minister of Public Works and Mines and Minister of Labor.

Hon. Michael Dwyer is, besides being a past president of the Canadian Institute of Mining and Metallurgy, a member of Professional Engineers of Nova Scotia, the Engineering Institute of Canada, and the Mining Society of Nova Scotia.

It would not be difficult to hazard a guess as to the factor in Mr. Dwyer's make-up which has enabled him to make such a success of his life. Those who know him best believe it is the combination of executive and just plain workman in him that have pushed him to the top.

How could this mingling of opposites be best expressed than in the title: "Hon. Mike Dwyer"?

Nicola Output Adds to Cash

From Our Own Correspondent

VANCOUVER. — Operations at Nicola Mines & Metals near Merritt are reported to be running smoothly, with shipments of concentrates going to England regularly. In addition to gold and silver values, according to President Peter L. Bancroft, the British Metal Corporation which has contracted for all Nicola concentrates, is paying for lead and copper content, the former at $28 a ton and the latter at $3 to $4 a ton of concentrate.

Mr. Bancroft expects the company to be in a substantial cash position shortly as a result of the present mining schedule. Ore reserves on hand total nearly 9,000 tons and the reserves available at properties under the company's control aggregate about 100,000 tons.

Gold Belt Mining Co.—This Sheep Creek, B.C. property reports that all payments up to and including the Feb. 1 installment under the underwriting and option agreement dated April 1, 1935, have been made. These options, The Post understands, were granted to North American Mines Inc.

Manitou Offering Bans Commissions

From Our Own Correspondent

VANCOUVER.—Something new in mine financing is the plan adopted by Manitou Mining Co. which is now making its first stock offering to the public. The usual 20 per cent commission on sale of stock is not being allowed, and the company's articles of incorporation forbid payment of commissions and issuance of stock for properties or promotion or the placing of stock in escrow. Manitou has acquired properties in the Nelson and Bridge River districts, and the Nelson property, known as the Porto Rico mine, originally developed by British interests, will be brought back into production this year. Manitou has taken an option on a group of 20 claims in the Bridge River district between Wayside and Congress mines.

Brig.-General J. Duff Stuart, Vancouver, is president of Manitou; John D. Galloway, vice-president; Clifton P. Riel, manager and director, and Stanley W. Taylor, secretary.

Northern Canada Assets Improve

Holdings in Argosy Kenty Rise in Value

In a report to shareholders accompanying May 1 dividend cheques, Dr. J. B. Tyrrell, president of Northern Canada Mining Corp. states that at the Argosy Gold Mines property, in which Northern Canada has 402,211 shares, development to the 500 ft. level has opened up new ore at the rate of about $100,000 per month since operations were resumed last August.

Argosy Gold was formed to acquire the property of Casey Summit Gold Mines. Last winter, more than 600 tons of freight and supplies were shipped into the property, including a 75 ton mill which is now being erected, and scheduled to be in operation during the coming summer.

In addition to the advance in the price of Argosy stock, which has at present prices shown a profit to Northern Canada of $1 per share, the company holds 602,000 shares of Kenty Gold Mines, which have also appreciated in value on account of the company's large interest in Argosy.

Ventures Adds To Cash Assets; Earnings Jump

Report Follows Announcement of Initial Dividend

With marketable securities totalling, at quoted prices, $2,676,600 in its portfolio, the annual report of Ventures Ltd. exploration and holding company, reflects a profitable year for this Lindsley promotion. For the first time in its history the company shows a surplus at the end of the year, after all write-offs, including organization expenses of $21,578. Earnings per share rose from $0.025 in 1934 to $0.101 in 1935.

Much of the company's improved earnings record is due to a sharp increase in profits on securities sold, which rose from $128,665 in 1934 to $856,484.

In this connection, the company's record of principal holdings makes no reference to holdings in McWatters Gold Mines, or Prospectors Airways, both of which figured in the 1934 portfolio.

The comparative portfolio, comprising the principal holdings in controlled companies and others, as at Dec. 31, 1935, compared with the holdings in the previous year, is as follows:

Ventures' Portfolio

Company:	No. of Shares Held 1935	1934
Falconbridge	1,387,932	1,474,052
Coniaurum	1,429,257	1,443,857
Sudbury Basin	946,410	845,060
Matachewan Consol.	891,035	774,248
Opemiska Copper	1,935,035	1,629,918
Island Lake Mines	*	1,363,752
Beattie Gold	2,150,441	2,198,221
Canadian Malartic	472,195	406,681
Duport Mining Co.	559,262	559,262
Sullivan Consol.	*	303,592
Kenora Prospectors	*	189,820
McWatters Gold	*	103,434
Prospectors Airways	*	105,500

* No holdings shown in 1935 report.

Current assets, exclusive of marketable securities, totalled $395,978, against current liabilities of $277,262.

T. Lindsley, president, reviews developments of the various companies in which Ventures is interested, most of which have already been published.

Last week the company declared its initial dividend, the amount being five cents per share, of which two and one half cents is payable July 2, 1936, to shareholders of record June 15, and two and a half cents payable Jan. 2, 1937, to shareholders of record Dec. 15, 1936. The annual meeting will be held Thursday, May 28.

Consol. Income & Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Inc. from share. & bds.	443,107	437,997
Profit on sec. sold	856,484	128,665
Prof. on sale of inter.	386	......
Inter. rec. less paid	508	284
Manage. chgs. from assoc. companies	4,200	12,557
Gross income	1,304,685	579,503
Less: admin. expen.	23,731	
Executive salaries	3,900	27,302
Legal fees	1,600	
Loss on exchange	2,038	3,729
Explor. w/o	120,905	138,627
Depreciation	1,269	1,269
Transfer to invest. res.	270,000	213,202
Tax provision	80,000	......
Profit for year	801,242	195,374
Less: Prev. deficit	529,645	725,019
Organ. expen. w/o	21,578	......
Surplus forward	250,019	*529,645
Earnings per share	$0.101	$0.025

* Deficit.

Terminal Well Not Crude Key

Hopes of Finding New Field Wane With Flow

From Our Own Correspondent

CALGARY.—Hopes that a field of crude oil "gushers" had come into being during the past week were dashed when it was revealed that the Terminal well on the Del Bonita structure was only producing between 25 and 50 barrels of oil daily.

The well blew in with terrific force earlier in the week severely injuring two members of the drilling crew. It was out of control for a few days and oil was scattered over a wide area. Then the gas flow subsided.

It is believed the Terminal well may prove a commercial crude oil producer. It is one of the wildest wells in Alberta and the gas pressure is undoubtedly very great.

Efforts will be made, if possible, to drill the well deeper. The well is located in the Del Bonita field, south of Cardston and near the Canada-United States boundary line.

Little news of special interest has come from Turner Valley during the past few weeks. A new well, Sterling Pacific 3, is to be drilled in the south field by Imperial Oil through a subsidiary.

Mosher Long Lac May Sell to Elmos

Directors of Mosher Long Lac Gold Mines have approved an offer from Elmos Gold Mines for the purchase of Mosher's property, consisting of 22 claims in the Little Long Lac area of Ontario.

The offer calls for the payment by Elmos Gold Mines of 400,000 shares. Mosher Long Lac would be represented on the Elmos board. Under this arrangement, the property new held by Elmos, which is contiguous to that of Mosher, would be consolidated into one block.

Elmos Gold Mines, formed last March, has an authorized capitalization of 3 million shares, $1 par value. Of this amount, 150,000 shares were sold for cash at 20 cents per share. This, with 950,000 shares was the purchase price of its present property. The 950,000 shares are pooled until released by the Ontario Securities Commission.

In a balance sheet issued with the annual report, Mosher Long Lac shows current assets of $10,414, comprising $2,456 cash and $7,959 due from brokers. In addition, investment in shares of mining companies, as at Dec 31, 1935, are shown at a cost of $24,105 and a market price of $25,900.

Current liabilities, consisting of only accounts payable, total $11. Of an authorized capitalization of 3 million shares, $1 par value, 1,525,005 have been issued.

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Mining Company Reports

Beattie Gold Mines

While exploration work has not as yet opened up any new lens comparable in size and value to the original north contact ore body at the property of Beattie Gold Mines in Duparquet twp., Quebec, increased earnings are shown in the company's annual report, and surplus of $591,661 was carried forward at the end of 1935. This compares with a surplus at January 1, 1935, of $201,227.

T. Lindsley, president, reports that exploration of the north contact ore body at the 1,000 ft. level has developed only a small section of non-commercial grade. An increased scale of production is planned for the coming year.

Ore reserves at the end of the year, including the 300,000 tons indicated by drilling in the A zone, totalled 4,428,670 tons grading .145 ounces per ton. While this indicates a slight improvement in tonnage over the 4,131,300 tons reported last year, the average grade has declined from an average of .159 ounces.

Commenting on the fact that no new lens of importance had been opened up Mr. Lindsley points out that there still remains in the original north contact ore body a very large tonnage of ore, which will give the company plenty of time to carry on active search along the Beattie structure.

Operating costs for the year averaged about $2.32 per ton. The balance of deferred development was written off, as shown in the income and surplus account below.

Beattie's balance sheet shows current assets exclusive of investments, at $775,342 against current liabilities of $197,138, leaving working capital of $578,204. Investments, which, as at Dec. 31, had a market value of $127,300 are carried on the balance sheet at cost, $125,780.

Income and Surplus Account

	1935 $	1934 $
Production:		
Concentrates	593,928	1,658,055
Bullion	1,361,480	168,023
Total value	1,955,408	1,826,078
Less: Marketing	329,460	432,928
Net returns	1,625,948	1,393,150
Less: Development	206,156	224,124
Stoping	287,059	281,819
Milling	419,698	311,863
Research work	14,356	......
Gen. min. expen.	62,527	57,610
Admin. & gen.	11,204	......
Remun. pres. & sec.	11,200	26,308
Directors fees	375	......
Legal advice	475	......
Oper. income	612,898	467,426
Add: Sundry rev.	5,655	......
	618,553	467,426
Less: Depreciation	138,144	96,176
Deferred dev. w/o	21,215*	215,520
Prov. for taxes	56,000	24,000
Outside explor.	8,791	......
Net profit	394,403	155,730
Add: Prev. surplus	201,227	46,482
Less: tax adj. pr. yrs.	3,969	985
Surplus forward	591,661	201,227
Earnings per share	$0.08	$0.03

*Balance of preferred development.

Alberta Pacific Con. Oils

Production from the Cut Bank, Montana, wells of Alberta Pacific Consolidated Oils continued to provide the chief source of income for this company, annual report for the fiscal year ended Dec. 31, 1935, shows. Production from this source has an output of about 160 barrels daily.

The company's lease holdings in Alberta were reduced during the year to conserve drilling credits, but the company still retains protective holdings in most areas now being drilled. Placer claims near Lillooet, B.C., did not fulfill earlier promise, and operations were suspended.

The company's balance sheet shows current assets of $134,922 as against current liabilities of $5,986, leaving a working capital of $128,936, as compared with $112,308 at the previous year's end. A. B. Singleton, president, states that announcement of a dividend distribution will be made at the annual meeting.

Receipts & Disbursements
Years Ended Dec. 31

Receipts:	1935 $	1934 $
Oil sales	65,442	62,011
Gold recovered	1,422	1,200
Royalties	3,887	3,910
House rents & heating	365	645
Int. & exchange	462	462
Rental of equipment	......	55
Sundry revenue	5	......
Operating revenue	71,583	68,283
Add: Other invests.	6,536	6,323
Profit on sale of autos	40	......
Loss for year	4,368	......
	82,527	74,606
Disbursements:		
Salaries	6,200	5,980
Directors' fees	1,440	1,420
Auditing	500	538
Office rent & exps.	1,833	1,907
Taxes	638	1,056
Insurance	308	430
Legal expense	157	202
Sundry	1,582	3,256
Operating—oil wells	10,543	12,817
Operating—gold mining	16,926	6,804
Lease rentals	11,194	7,004
Depreciation	14,845	16,801
Deplet. (25% of oil sales)	16,361	......
Profit for year	......	16,391
	82,527	74,606

Coniagas Mines

Improved earnings and an appreciation in the capital value of the portfolio of industrial stocks is shown in the annual report of Coniagas Mines, holding and exploration company, for the fiscal year ended Dec. 31, 1935.

In the balance sheet, current assets, taking marketable securities at cost, totalled on Dec. 31, 1935, $1,774,537, against current liabilities of $100,340, leaving a working capital position of $1,674,197, compared with a working capital of $1,712,141 at Dec. 31, 1934. The marketable securities, with a book value of $1,613,157 had a current value of $3,032,105.

The company's chief mining investments comprise: 623,600 shares of Coniaurum Mines, Porcupine producer; Argosy Gold Mines, formerly Casey Summit, in which Coniaurum held 400,000 shares; Sturgeon River Gold, in which Coniaurum holds 662,363 shares, and an option on 33 1/3 per cent interest; 468,272 shares in Lake Expanse Gold Mines; 250,000 shares and an unstated option on further stock of Florence River (Quebec) Gold Mines.

Consol. Income & Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Interest & divds.	36,998	40,899
Profit on sale of secs.	118,744	54,241
Profit on sale of cap. assets	454	1,728
Miscel. income	742	843
Fees for services	......	3,929
Total revenue	156,938	101,638
Less: Gen. & admin. exps., prosp. & devel.	76,486	57,859
Net earnings	80,452	43,779
Add: Minority interest	43	19
Less: Dividends	95,787	95,787
Deficit for year	15,292	51,989
Less: Prev. surplus	1,704,236	1,756,264
Add: Reduc. in surp. from add. to subsids. equity	......	39
Surplus forward	1,688,944	1,704,236
Earnings per Share & Dividend Record:		
Earned	$0.10	$0.06
Paid	0.12½	0.12½
Shares outstanding	766,300	766,300

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Lengthen Ore At Hard Rock On 450' Level

Directors Expect Mill Will Be Justified Soon

During the nine-month period ended Feb. 29, 1936, the shaft at Hard Rock Gold Mines, in the Little Long Lac area of northern Ontario, was continued to a depth of 475 ft. and two more levels opened at 325 and 450 ft., T. H. Rea reports in the annual statement of the company. In a supplementary report, covering work done March 1 to April 10, J. C. Dumbrille, manager, states that 720 ft. of drifting has been completed on the 450-ft. level. Of this amount a total of 384 ft. was in ore grading 5.64 dwt. per ton over an average of 5.3 ft.

From the surface, further drilling west of the shaft, on Porphyry Hill has added to ore possibilities.

Work on the 200-ft. level has opened up a possible ore length of 430 ft., and on the 325-ft. level an ore length of 630 ft. has been opened up. Average grade is 4.1 dwts. over good mining widths. In view of these results, states Mr. Rae, directors "fully expect" that erection of a mill will be justified in the near future.

Mr. Rea refers to the fact that in February, 1936, further financing was necessary, and 200,000 shares were sold for 45 cents per share, and options given to purchase 200,000 shares at 65 cents per share, and 99,995 shares at 75 cents per share, all to be completed by Jan. 1, 1937. The Financial Post understands that Goldale Mines is the optioner.

In the balance sheet as at Feb. 29, 1936, current assets are shown at $105,374, made up of cash, $97,615; accounts receivable, $107; and stores and supplies, $7,652. Current liabilities, comprising accounts receivable and accrued expenses, total $12,172, leaving a working capital of $93,202.

Statement of income and expenditure for the nine-month period shows total income, including $34,765 cash in bank as at June 1, 1935, of $200,447, against cash disbursements of $102,832.

Arntfield Ore Shows Growth

Costs Show Substantial Reduction in First Quarter

Bullion production from Arntfield Gold Mines, the new Quebec producer, for the first three months of 1936 was nearly $85,000, V. A. James, resident manager, told shareholders at the annual meeting of the company held at the mine recently. Mill tonnage has now been increased to an average of 176 tons daily.

Mr. James reports that a considerable amount of new ore has been indicated by recent work beyond the 112,400 tons grading .24 oz. reported at year end, but more development will be required before the new ore can be included in detailed reserves.

Costs, Mr. James pointed out, have shown substantial reductions; overall costs per ton at the mine, exclusive of shaft sinking, were $4.71 per ton in February and $4.21 per ton in March. All operating costs, including shaft sinking, are being more than met out of present production.

With the shaft at an inclined depth of 760 ft., and an objective of 1,000 ft. Mr. James stated that possibility of ore on the succeeding lower levels was good. Practically all mill feed to date has been drawn from above the 375-ft. level.

"Silver" Margins Put on Lower Basis

Commodity Exchange Revises Requirements to Lower Price

From Our Own Correspondent

MONTREAL. — Canadian Commodity Clearing Association, which operates in conjunction with the silver section of the Canadian Commodity Exchange, announces a reduction in margin requirements and, at the same time, restoration of the 3-cent limit on price fluctuation for any single session.

The new schedule will be: Upon a net interest of 200 contracts or less, $1,000 a contract as against $1,500; upon a net interest exceeding 200 and not over 400 contracts, $1,200 a contract upon such excess, as against $1,700; upon a net interest exceeding 400 and not over 600 contracts, $1,400 a contract upon such excess, as against $2,000; upon an interest of 500 straddles or less $200 per straddle ($100 each size) as against $250 or $125 each size; upon an interest exceeding 500 straddles and not over 1,000 straddles, $400 a straddle upon such excess as against $500 or $250 each size.

With the 3-cent limit, prices will move within a range of 3 cents above or below the previous closing price in any one day. For some months the 5-cent limit has prevailed.

Goldeye Mining Co. Buys Commonwealth

From Our Own Correspondent

WINNIPEG.—The old Commonwealth property in the Rice Lake field located about four miles southeast of San Antonio and immediately east of Gold Lake has been taken over by the Goldeye Mining Co.

Fifteen years ago this was one of the properties believed to have a big future and a considerable amount of development work was done. A well-equipped mining camp was erected with all necessary buildings and blacksmith shop. Veins were stripped and trenched. Owing, however, to the death of George H. Porter, prominent in mining at that time, the work was stopped and has since remained in the hands of its original holders.

The new company plans to rehabilitate the camp. A crew has already been sent in cleaning out trenches and restripping the veins. All materials and supplies were shipped in by airplane due to the early breaking up of the roads for heavy freight.

Sorting the Mines

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock is being dealt with in alphabetical order as space permits.

Greene Stabell Mines

Not so many months ago, the stock of Greene Stabell Mines could have been bought as low as 15 cents per share, despite the fact that the company had been in production since November, 1933.

Recently the stock hit a high for the year of 68 cents, and, at time of writing, is holding steady at not much under this figure.

These facts reflect the change which has come over the outlook for this property in recent months.

Work on the original property, which was one of the first to be staked in the Harricanaw district of Quebec had been disappointing, and the outlook for further mill feed from this source was extremely doubtful.

So in 1934, the adjoining property was optioned from Stabell Lake Mines, and development work started with all the energy for which the company's president, John E. Hammell, is noted.

Mr. Hammell, his faith in the company unimpaired by disappointing results, loaned a total of $100,000, payable at 6 per cent from mill profits.

If the present development on the new section continues in the good grade and widths established to date, the chances are at least even that Mr. Hammell will get his money back. At last report, the new ore had been lengthened to 105 ft., with averages of $19.76 per ton across 22 inches. Parallel drifting is giving equally satisfactory results.

The fact that, of the 3 million shares, $1 par value stock authorized, the entire amount has been issued gave rise to reports that refinancing would be necessary. These reports have been emphatically denied by the management, who state that refinancing will only be necessary if Greene Stabell should grow to a tremendous size, and require a larger mill than the present 100-ton mill unit, Mr. Hammell has stated.

While Greene Stabell cannot, at the moment, be said to be right out of the hole, it can certainly see daylight, and developments in the past few months have gone far to justify the faith which Mr. Hammell and associates have always had in the property.

Price Range of Stock

	High	Low	Last
1935			
Common	.45	.14	.27
1936			
Common	.68	.21	.50

Gunnar Gold Mines

Under favorable auspices, the mill of Gunnar Gold Mines, on the property in the Central Manitoba district, came into production a few days ago, with a capacity of 150 tons per day.

The property has seen a substantial amount of development, and work is currently being carried out on the 1,000-ft. level where a wide zone is reported to have been cut.

Early this year, Gunnar secured a loan from Ray T. Birks, of $250,000 in return for an option of 150,000 shares of treasury stock at $1 per share. The loan gave the company over $325,000 in cash, which brought the mill to production, and should see the company through the initial milling period. Proceeds of the option will go toward paying off the loan but officials feel confident of repaying the loan from profits, whether or not the options are taken up.

On the property, 100,000 tons of ore have been proven of which 85,000 tons have been blocked out. This would be sufficient to supply the mill, at 150 tons per day, for two years, a margin which is considered satisfactory for new producers. The grade of the ore is reported to average $14 to $15 per ton.

As depth development proceeded at this property, values and general results became more favorable, the reaction marketwise being reflected in the price range below.

Gunnar is in the hands of the Labine brothers, of Great Bear Lake and Eldorado fame. The company is capitalized at 3 million shares, par value $1. To the end of December and excluding the Birks option referred to above, 2,564,131 shares had been issued, leaving 435,869 in the treasury.

Price Range of Stock

	High	Low	Last
1935			
Common	.97	.48	79
1936			
Common	1.03	.75	.91

Halcrow-Swayze Mines

This property in the Swayze area of Ontario has been inactive since early last year, work having been suspended while an attempt to raise funds was made. This attempt has not been successful, and the outlook for the company is uncertain at the present time.

A 25-ton pilot mill was put on the property, and some production obtained. Ontario government reports indicate that last year, 211 tons were treated, with an average recovery of about $6.49 per ton. Since this ore was largely in the nature of bulk samples, it is obvious that the run of mine grade would be lower than this. Some time ago the company estimated reserves above the 200 ft. level at 82,500 tons averaging $3.85 per ton.

Officials, in speaking to The Financial Post, were doubtful about the advisability of resuming work on this property, and Horace Strong, president, stated there was a possibility of putting one or two men in the field this season.

The company is known to have between $5,000 and $6,000 in the treasury, as well as about 500,000 shares, of a 2.5 million share authorized capitalization.

Price Range of Stock

	High	Low	Last
1935			
Common	.08½	.02	.02
1936			
Common	.05	.02	.03¾

Mining Enquiries

Cariboo Gold Quartz

What is your view of Cariboo Gold Quartz as a fairly long-hold purchase? Would you review recent events at this company?

Cariboo Gold Quartz Mining Company, which operates the Pioneer Lode producing property in the Cariboo district of British Columbia, has, since production started in January, 1933, given a good account of itself and has maintained a fairly steady production record. Last November the company declared an initial dividend on the common stock of 2½ cents per share. The company's cash reserves were not as large as is usually required before putting a company on a dividend basis, but the directors felt that they were justified, and their record to date inspires confidence. During the past year, the company has been successful in increasing its ore reserves, which, as at January 31, 1936, amounted to 152,588 tons, having an average gold content of 0.404 oz. per ton. Recent fire losses were fully covered by insurance. The company appears to have attractions from a long term point of view.

Porcupine Watborn

I have been approached to buy some Porcupine Watborn stock, but would like your impressions first.

Porcupine Watborn Gold Mines owns a gold prospect in Whitney Township and in Tisdale Township in the Porcupine area of northern Ontario. These properties are in the preliminary state of development only, and the company is at the present time drilling in an effort to prove up at depth surface showings which are, viewed against the general geology of the Porcupine field, at least interesting. Until, however, results from drilling are obtainable, it will be impossible to give an estimate of the properties' worth. The company has issued no financial statement, but we understand they have approximately $10,000 in the treasury with no current liabilities. This sum, of course, would be sufficient to finance an extensive drilling programme, and probably some underground work.

Paymaster Consolidated

Would you give me some information regarding Paymaster Consolidated? Is it under good management, and do you consider the present price too high? How does the capitalization affect dividends?

Paymaster Consolidated Mines stock has risen sharply of late due to encouraging results from underground development and from the mill. The company's first quarter production was excellent, bullion to the value of $210,948 from the treatment of 31,004 tons of ore being reported. This is an average recovery per ton of $6.80 and an average per day milling of 341 tons.

Underground, below the 1,000 ft. level to the 1,575 ft. horizon, healthy values have been encountered.

While the present rate of production might suggest dividends, it is considered likely that the company, in compliance with accepted mining practice, will wish to build up a substantial cash surplus. In addition, Paymaster's large capitalization of 9 million shares is a handicap as far as dividends go. Officials of the company hinted some months ago that a capital reorganization may be made for the purpose of reducing capitalization. In such an event, the equity of present shareholders would not be jeopardized, and dividends would be more accessible.

In the meantime, Paymaster is in good hands and showing a satisfactory profit.

Moffatt-Hall Exchange

A few years ago I bought 500 shares of Moffatt-Hall Mines Ltd. Just recently I noticed in the press that a new company has been formed to take over the old company, on the basis of two old shares for one new. I sent in my certificate to a broker to have the exchange made, but am told it cannot be done on that basis—perhaps on the basis of five for one, but certainly not two for one. They claim the two for one deal refers to a still older company. How can that be?

Apparently your broker is in error in stating that the exchange of Moffatt-Hall Mines stock for that of Moffatt-Hall Mining Co. stock would be on a basis of five for one.

When Moffatt-Hall Mines Limited was succeeded, early this year, by Moffatt-Hall Mining Company, Moffatt-Hall Mines received 2,500,000 fully paid shares in the new company. Since the entire authorized capitalization of $5 millions of Moffatt-Hall Mines was outstanding, this means eventually the distribution of stock will be on the basis of one new share for each two shares in Moffatt-Hall Mines held. This stock, however, is held in pool by the Ontario Securities Commission.

As regards your broker's statement that the two-for-one exchange referred to a still older company, this is partly true. Originally, the property was owned by Moffatt-Hall Gold Mines. This company was succeeded by Moffatt-Hall Mines Limited in 1928 and surrendered its charter in 1929. The exchange in this case was two-for-one also, but, of course, that deal has no bearing on the present transaction.

Nordic Sturgeon

What is happening to Nordic Sturgeon? I hold some Sakoose stock, and am wondering whether the "new deal" is going to mean anything to Sakoose shareholders or not.

Unfortunately, Nordic Sturgeon Gold Mines does not appear to have improved its position or that of the old Sakoose Gold Mines property since the new company took over. Several attempts have been made to raise funds to carry on work at this property, but the promotional background of these efforts has been far from satisfactory. At the present time, we understand that International Fiscal Corporation is attempting to sell Nordic Sturgeon stock in a manner which is not conducive to confidence.

There is no activity on the property, as far as we are aware, and the likelihood of raising money seems rather remote.

In the meantime, there is little that shareholders of the former Sakoose Gold Mines can do but hang on to their stock in the hopes that the property, which appears to justify further work, falls into more capable hands.

Int'l Mining Places Assets $22.17 Share

Analysis Shows Present Position of Company

Net assets of International Mining Corp., prospecting, exploration, and holding company, as at March 31, 1936, and after certain reserves, amounted to $8,871,056, or approximately $22.17 per share for the 400,055 shares of common stock outstanding, the company reports.

Reserves comprised $128,042 for mining venture loss; federal income taxes at present rates on net income and net profit on investment transactions to March 31; federal income taxes which, at present rates would have become payable in 1937 on unrealized appreciation of securities listed or quoted on stock exchanges, if such securities had been sold at the closing quotations on March 31. In the above computation securities listed or quoted on stock exchanges were taken at market value, and those not listed, at cost.

As of March 31, 1936, there were outstanding purchase warrants entitling the holders to purchase 523,945 shares of common stock at $10 per share on or before Sept. 1, 1939. If all of these warrants had been exercised on March 31, 1936, the corporation would have received $5,239,450 additional capital; the common stock outstanding would have been 924,000 and the net asset value at March 31, would have been about $15.27 per share.

McKenzie Mill Boosts Output

Additional Ore Lengths Reported on All Levels

In its regular quarterly report, McKenzie Red Lake Gold Mines, Red Lake producer, reports that in the first three months of 1936, bullion to the value of $159,858 was produced and marketed, from 12,576 tons of ore milled. This is a recovery of $12.71 per ton.

Average milling rate for the period was increased from 130 tons to 140 tons, and at the same time, aggressive development work resulted in additional ore lengths on all four levels.

The company reports that the largest increase in newly-developed ore was on the lowest or 450-ft. level, where 215 ft. in length was added to previous ore lengths. The new inclined winze being sunk from the 450- to the 650-ft. depth, is being carried at a regular inclination, and is making no attempt to follow ore indications, yet, to the first new level, one-third of the footage has gone to the mill as ore.

Sturgeon River Plans Test Mill

Estimate Ore Reserves at 33,600 Tons, Grade $16.90

Work done on the property of Sturgeon River Gold Mines under the direction of Coniagas Mines during 1935 resulted in estimated ore reserves of about 33,600 tons, averaging $16.90 in gold per ton, Arthur L. Bishop, president, states in the annual report just issued.

The immediate programme is to deepen the shaft an additional 250 ft. and to establish two new levels, at 625 ft. and 750 ft. A two unit Tremaine stamp mill will be erected as a test operation and a source of revenue until the possibilities of the property are better known.

The balance sheet of the company as at Dec. 31, 1935, shows current assets of $16,717. Repayable either in shares of the company's stock, or in cash, is a sum due Coniagas Mines for expenditures made on the property, of $227,938.

General Pat's Results Speed Work at Gateway

A thorough exploratory campaign by diamond drill and geophysical survey will start in the near future on the property of the recently-formed Gateway Patricia Gold Mines, an offering of whose stock, under the sponsorship of H. R. Bain & Co. was reported in a recent issue of The Financial Post.

Decision to finance the property, which had already, according to officials, given gold values on certain northerly claims, under preliminary drilling was speeded up by the recent announcement that Central Patricia, in a new area 1,200 ft. west of its main shaft, had located in shallow drilling, an ore shoot 230 ft. by 2.5 ft. wide. This ore shoot on the Central Patricia property grades $14 to the ton, and brings Central Patricia's known ore bodies 1,200 ft. nearer the Gateway boundary.

Exploration of Gateway Patricia's property of 27 claims will be under the direction of Reginald Hore, who has already done a considerable amount of work in the district on Bain sponsored properties. With 800,000 shares of an authorized 3 million share capitalization issued for properties, the company will have, after the present 700,000 share offering, 1.5 million shares in the treasury for future financing.

Ontario's Gold Production Sets Year's High in March

March production from Ontario gold mines hit a new high for the year, with a total recovery of $6,714,506 being reported by the Ontario Department of Mines. This compares with a production of $6,111,006 in February, 1936, and $5,801,989 in March, 1935.

In the Porcupine belt, producing gold mines in order of output, were Hollinger, McIntyre, Dome, Buffalo-Ankerite, Coniaurum, Paymaster, Vipond, Hollinger's Ross property, and Gillies Lake.

Kirkland Lake producers, in order of output for the month were Lake Shore, Wright-Hargreaves, Teck-Hughes, Sylvanite, Macassa, Kirkland Lake Gold, Omega, Toburn, Bidgood.

Three mines in Matachewan area, Young Davidson, Matachewan Consolidated, and Ashley, reported production, and 18 mines in Northwestern Ontario.

Production by camps for the first three months of the year were as follows:

Output by Camps

	1935 Tons milled	1935 Value $	1936 Tons milled	1936 Value $
Porcupine Camp:				
January	320,676	2,461,881	321,654	2,654,617
February	285,057	2,448,898	311,340	2,618,662
March	316,822	2,619,756	330,163	2,811,129
Kirkland Lake Camp:				
January	163,944	2,657,047	166,080	2,767,180
February	149,449	2,475,278	161,112	2,700,890
March	164,836	2,711,420	189,606	2,996,610
Matachewan:				
January	20,964	97,016	29,280	116,704
February	21,877	93,750	27,863	111,182
March	23,752	105,058	33,363	136,847
Northwestern Ontario:				
January	62,592	335,444	88,541	695,913
February	57,056	318,443	82,830	680,272
March	62,406	365,755	89,147	769,920
Total for Ontario—January	568,176	5,551,388	605,555	6,234,414
February	513,439	5,336,369	583,145	6,111,006
March	576,816	5,801,989	642,279	6,714,506

Mining Concerns Newly Formed

Granville Mines—B. C. Incorp., Apr. 14, 1936. H. O., 520 Stock Exchange Bldg., 475 Howe St., Vancouver. Author. cap. $10,000, divided into 100 shares of $100 each.

Grimsthorpe Gold Syndicate—Ont. Incorp., Mar. 30, 1936. H. O., Guelph, Ont. Author. cap. $40,000, divided into 8,000 shares of $5 each.

Miska Mining—Ont. Incorp., Apr. 2, 1936. H. O., Toronto. Author. cap. $500,000.

Rockland Mines—Ont. Incorp., Apr. 1, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Minexams—Dom. Incorp., Mar. 23, 1936. H. O., Toronto. Author. cap. $50,000, no par value.

Chibmac Mines—Que. Incorp., Mar. 20, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Freegold Mines—Que. Incorp., Mar. 20, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Malartic Lakeshore Mines—Que. Incorp., Mar. 16, 1936. H. O., Montreal. Author. cap. $2,000,000, par $1.

Wedding River Gold Mines — Ont. Incorp., Mar. 31, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Fort Rouille Mining—Ont. Incorp., Mar. 24, 1936. H. O., Toronto. Author. cap. 4,000,000 shares, no par value.

Grantland Gold—Ont. Incorp., Mar. 31, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Waltham Gold Mining — Ont. Incorp., Mar. 25, 1936. H. O., Toronto. Author. cap. $1,000,000, par $1.

Wascanna Mines—Ont. Incorp., Mar. 27, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Descar Corporation—Que. Incorp., Mar. 28, 1936. H. O., Montreal. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Greenwood Ore Concentrating—B. C. Incorp., Apr. 2, 1936. H. O., Greenwood, B.C. Author. cap. $25,000, divided into 25,000 shares of $1 each.

Blue Jack Mines—B. C. Incorp., Mar. 25, 1936. H. O., Suite 5, 410 Seymour St., Vancouver. Author. cap. $1,000,000, divided into 2,000,000 shares of 50 cents each.

Portage Gold Mines—B. C. Incorp. as a specially limited company, Mar. 31, 1936. H. O., 205 Times Bldg., Victoria. Author. cap. $1,000,000, par $1.

Sachigo River Exploration — Ont. Incorp., Mar. 20, 1936. H. O., Toronto. Author. cap. 100,000 shares, no par value.

Broulan Porcupine Mines—Ont. Incorp., Mar. 18, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Consolidated Lead Mines—Ont. Incorp., Mar. 21, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Delcairo Gold Mines—Ont. Incorp., Mar. 20, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Kenakott Kirkland Gold Mines—Ont. Incorp., Mar. 24, 1936. H. O., Toronto. Author. cap. $5,000,000, divided into 5,000,000 shares of $1 each.

Elmos Gold Mines—Ont. Incorp., Mar. 13, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Chibougamau Properties—Que. Incorp., Mar. 11, 1936. H. O., Montreal. Author. cap. $99,500, divided into 99,500 shares of $1 each.

Dumico Gold Corporation—Que. Incorp., Mar. 7, 1936. H. O., Montreal. Author. cap. $5,000,000, divided into 5,000,000 shares of $1 each.

Central Chibougamau Mines—Que. Incorp., Feb. 10, 1936. H. O., Montreal. Author. cap. $49,000, divided into 4,900 shares of $10 each.

Rush Lake Gold Mines—Que. Incorp., Feb. 5, 1936. H. O., Montreal. Author. cap. $49,900, divided into 49,900 shares of $1 each.

Hannam Exploration—Ont. Incorp., Mar. 3, 1936. H. O., Toronto. Author. cap. $250,000, divided into 250,000 shares of $1 each.

Surprise Lake Exploration Syndicate—Ont. Incorp., Feb. 28, 1936. H. O., Toronto. Author. cap. $100,000, divided into 10,000 shares of $10 each.

Empress Consolidated Gold Mines—Ont. Incorp., Mar. 7, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Gateway Patricia Gold Mines—Ont. Incorp., Mar. 5, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Ronda Gold Mines—Ont. Incorp., Mar. 4, 1936. H. O., Toronto. Author. cap. $3,500,000, divided into 3,500,000 shares of $1 each.

Batchelor-Duggan Mines—Ont. Incorp., Feb. 21, 1936. H. O., Toronto. Author. cap. 100,000 shares, no par value.

Buff-Ario Gold Mines — Ont. Incorp., Feb. 20, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Marguette Long Lac Gold Mines—Ont. Incorp., Feb. 21, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Moffatt-Hall Mining—Ont. Incorp., Feb. 11, 1936. H. O., Toronto. Author. cap. $5,000,000, divided into 5,000,000 shares of $1 each.

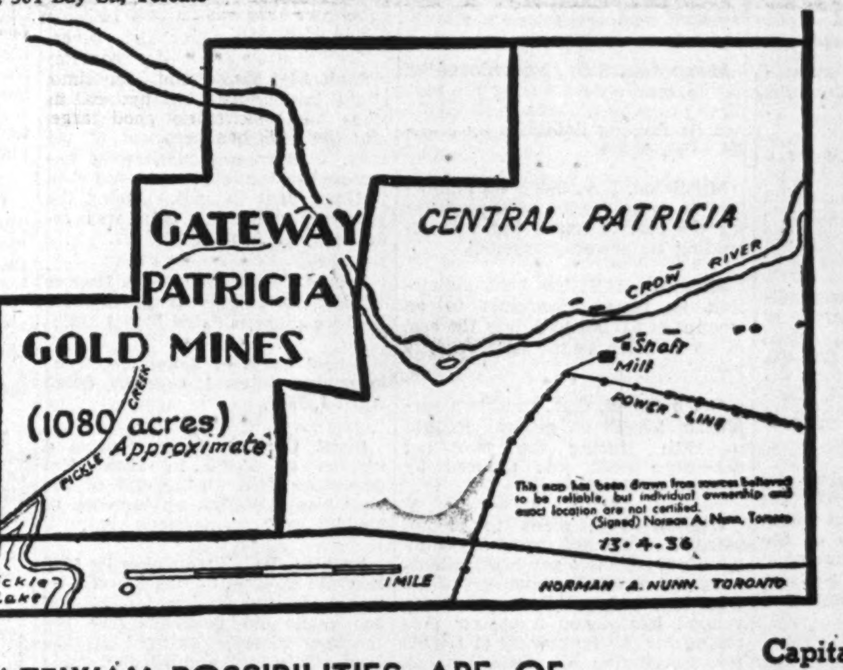
BAIN SPONSORED

Gateway Patricia Gold Mines Limited
(No Personal Liability)

Head Office: Bain Building, 304 Bay St., Toronto
Mine Office: Pickle Crow P.O., Via Hudson, Ont.

PROPERTY

The company controls 27 claims or approximately 1080 acres adjoining and directly west of the property of Central Patricia Gold Mines Limited. The Gateway property adjoins Central Patricia also on the latter's northerly boundary for one half of a mile. On the projected line of strike of the Central Patricia main ore bodies, Gateway Patricia has a length of one mile.



PROPOSED EXPLORATION

A contract for diamond drilling will be let and drilling will proceed under the supervision of Reginald E. Hore, managing director. An electrical survey of the property is to be made.

WHY GATEWAY POSSIBILITIES ARE OF UNUSUAL INTEREST

Because Gateway Patricia immediately adjoins and is on the main line of strike of the Central Pat Main ore bodies.

Because the property lies within the Crow River Schist zone composed of the rocks in which are found the ore-carrying veins of the district.

Because a magnetic survey made of the northerly claims shows a narrow iron formation band extending westerly across two claims.

Because diamond drilling by the previous owners showed in one of the holes five feet of core assaying $3.50 per ton in gold.

Because Central Patricia, in diamond drilling a new area, 1,200 feet west of the main shaft, towards Gateway has disclosed an ore shoot 233 feet long, 2.5 feet wide and grading $14.00.

Because this property is at the preliminary stage in its development and shares, consequently, are at a low price.

Because Reginald E. Hore, President and Managing Director who predicted the success of Pickle Crow and Central Patricia believes further important ore bodies are yet to be found in this field.

Because sufficient treasury stock of Gateway Patricia has been underwritten to provide a substantial exploration and development fund, with adequate stock remaining in the treasury to carry on mining development as and when warranted.

Capitalization

Authorized - 3,000,000 shares
(of a Par Value of $1 each)
Issued for properties 800,000 shares
This issue - - 700,000 shares
Remaining in Treasury 1,500,000 shares

Officers and Directors

President and Managing Director: Reginald E. Hore
Secretary-Treasurer: Corporation Management & Executive, Limited
Dana Porter - - Toronto
J. M. Macintosh - - Toronto
D. A. Chadwick - - Toronto
David Gross - - Kitchener
Counsel: Fennell, Porter & Davis, Toronto.
Registrar and Transfer Agent: Chartered Trust & Executor Company.
Auditors: Fred. Page, Higgins & Company

Price 25c a Share

Underwritten by Mines Development Division of

H. R. BAIN & COMPANY LTD. STOCKS BONDS

Head Office: 304 BAY ST., BAIN BUILDING, TORONTO AD. 4271

HAMILTON LONDON TORONTO KINGSTON BRANTFORD OTTAWA

Quebec Correspondent: H. R. BAIN & CO., Limited, 201 St. James St. West, Montreal
Buffalo Correspondent: H. R. BAIN & CO., INC. No. 778 Main St.
Philadelphia Correspondent: JULIAN H. FERGUSON, INC. 1411 Walnut Street.

While we do not guarantee the statements contained herein, we have secured them from sources which we believe to be reliable.

H. R. BAIN & CO. LIMITED
Bain Bldg., 304 Bay St., Toronto
Date
I wish to subscribe for ______ shares of Gateway Patricia Gold Mines Limited at twenty-five cents per share.
Please signify ☐ I am enclosing cheque for $ ______ to cover purchase.
☐ Send stock with draft attached to ______
☐ Please send me further information on Gateway Patricia Gold Mines and map of the Central Pat-Pickle Crow area.

KINDLY USE THIS COUPON

SIGNED ______
ADDRESS ______

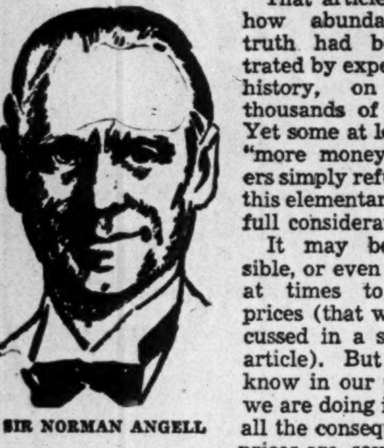
As this issue has been underwritten, the company has already received payment or commitment to pay from the underwriters, consequently the proceeds of this issue will not go into the treasury of the company whose securities are hereby sold to you.

"The Money Mystery"

By Sir Norman Angell

THIS is the fifth of a series of articles written expressly for The Financial Post by Sir Norman Angell in which the noted author sets forth in simple language an explanation of money and credit.

The previous article described the chief money truth as broadly that, if you increase the quantity of money, while other things remain equal, you get a rise in prices; decrease it, a fall.



SIR NORMAN ANGELL

That article indicated how abundantly this truth had been illustrated by experience, by history, on literally thousands of occasions. Yet some at least of the "more money" reformers simply refuse to take this elementary fact into full consideration.

It may be permissible, or even advisable, at times to increase prices (that will be discussed in a subsequent article). But we must know in our plans that we are doing it and face all the consequences. If prices are, say, doubled, it means that you have cut the fixed incomes—those of pensioners, bondholders, and most salary earners—in half. You have levied an income tax of fifty per cent. Then, if you manufacture more money simply for the purpose of making up the difference to the man whose income is so halved, without regard to any inflationary effects such manufacture may have, you will increase prices still more; be compelled to manufacture more money to compensate him for the new rise of prices, which will still further put up prices . . . until you get the result that the German knew in 1923 when wages had to be multiplied more than one thousand times in less than a week in order to keep pace with the rise in prices; when a pair of shoes cost ten times as much in the evening as they did in the morning, and the whole system crashed.

Principle of Value of Money

The principle that the value of money, that is to say, the general price-level, depends on the quantity of money available in relation to exchanges to be made, rests more or less explicitly on what is known as the Quantity Theory of Money, which may be stated thus: "Other things remaining constant, the level of prices varies directly with the volume of the means of exchange." The theory has been called in question of late, not so much on the ground of its inherent illogicality as on the argument that other things neither will nor can remain constant. But the history just noted of what happens when money becomes really plentiful is sufficient to reveal its broad truth.

Here is what a few of the modern economists of authority have to say on the Quantity Theory:

Mr. D. H. Robertson, of Cambridge, having indicated the qualification, says:

"The larger the number of units available, the smaller, in exactly the same proportion, the value of each unit. A moment's reflection will carry conviction that this must be true . . .

"To use the correct arithmetical term, given the conditions of demand for money, its value varies inversely as the quantity available, or, in other words, the 'general level of price' varies directly as the quantity of money available."

Professor Lehfeldt, in his book "Money" (p. 97) writes that "this theory is true and, indeed, is the only clue to the intricacies of money relations. . . . The strongest influence on prices is that exercised by the quantity of money, though there are other circumstances that keep the price-level from being exactly proportional to the quantity in circulation.

"In the case of gold, if we set aside the industrial uses for the moment, an increased stock neither adds to, nor takes away from, the utility served. Money serves to effect the exchange of commodities, whether there be much or little of it; ten tons of gold will not do the work any better or worse than one ton. Hence the increase in quantity would bring about just an equal fall in price—but for the fact that more would be used in jewellery and other non-monetary ways. When money means paper notes there is not even this disturbing circumstance, and the value of the unit may be expected to vary inversely as the number of units issued."

Professor Lehfeldt gives certain figures to confirm the theory, choosing non-belligerent states so that other economic factors do not obscure the deduction:

"In Switzerland, before the war, the currency consisted of 314 million francs of notes, some gold (estimated by United States Mint at 60 millions), and about 80 millions in silver and subsidiary coins; total, 454. In 1922 the average circulation was 846 millions, with a reduced amount of silver; 920 in all. This is an increase practically to double, while the level of wholesale prices in 1922 was one and two-thirds times that of 1913.

"In Norway inflation went somewhat further: 105 million kroner in notes and 35 in gold and silver have been replaced by 380 notes and a little silver, say 10 millions. The expansion is thus in the ratio of 1 to 2.7, while prices have risen in the ratio of 1 to 2.3.

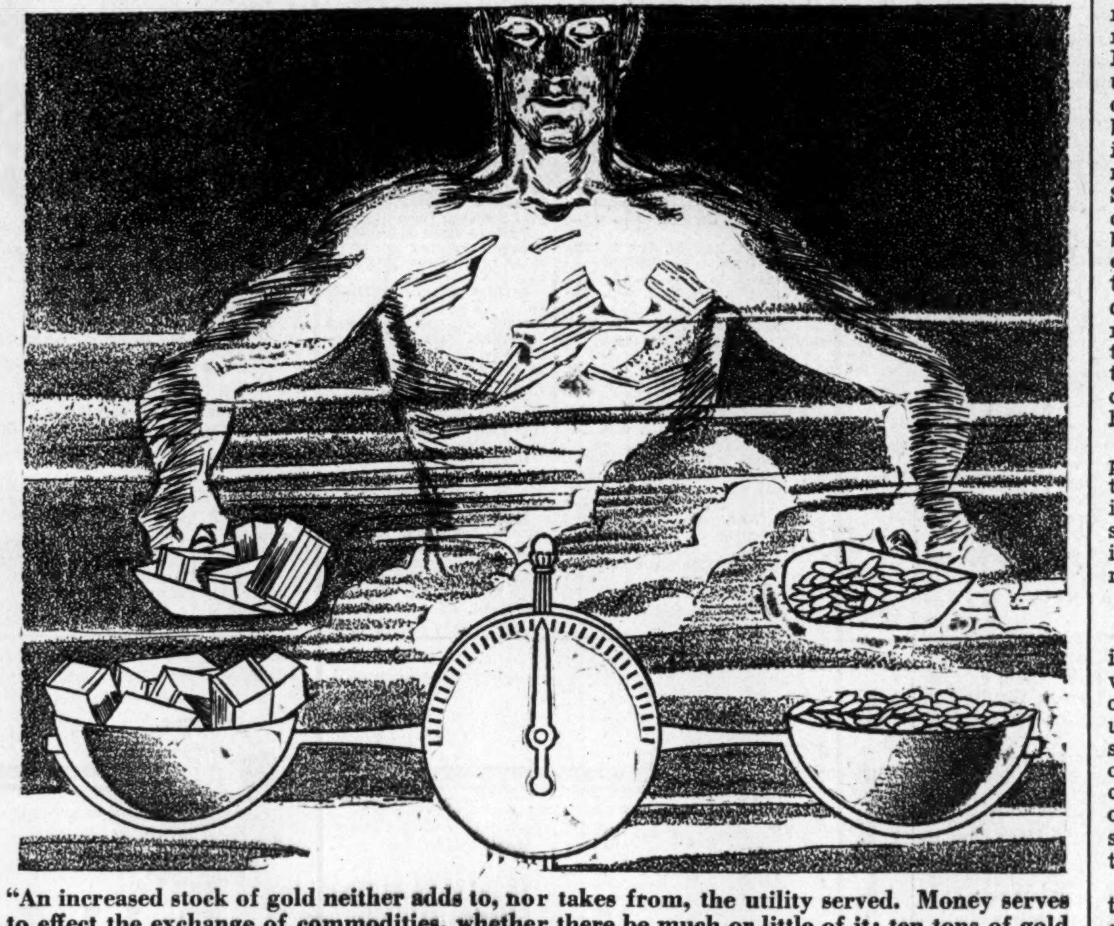
"In Finland great inflation took place during the war, but afterward a stationary condition of the currency was attained, with 1,400 million francs of notes in circulation (no gold or silver). This takes the place of 113 millions in notes, and probably some gold and silver, before the war. The increase is a little more than tenfold. Wholesale prices have risen eleven times."

Explains Failure of Many Theories

Failure to appreciate even that part of the Quantity Theory which is a truism, explains the unworkability of so many proposals for monetary reform.

When we examine the numberless plans of monetary reform in the past, the efforts to utilize the money-tool to better advantage, we find that most are marked by one dominating prepossession, namely, that if money is "backed" by something it will be sound money, even though that something be wealth in the vague future. John Law, who was one of the early "more money" reformers, and who became financial adviser to the French government in the early part of the eighteenth century (with final results not unlike those which took place in Germany in the early part of the twentieth century) "backed" his money by the future resources of the Mississippi Valley; certain of the colonial governments of British America "backed" their currency by rice or tobacco or other commodities; the assignats of revolutionary France were "a mortgage on the national dominions."

It is interesting to note the ideas which lay behind the Law experiment (the history of which will be touched upon later).



"An increased stock of gold neither adds to, nor takes from, the utility served. Money serves to effect the exchange of commodities, whether there be much or little of it; ten tons of gold will not do the work any better or worse than one ton."

France's Tragic Experience

In 1705 Law published a work in Edinburgh on banking, entitled, "Money and Trade Considered." In this work, after discussing certain principles of money, he held that it was feasible to establish and continue a bank of issue whose emission notes should be "founded" not upon a reserve of coins, but upon the possession of land. "Land, indeed, is the value upon which Mr. Chamberlain (a rival schemer) founds his proposal, and 'tis upon land that I found mine." He proposed to calculate the value of the fee-simple of land at twenty years' purchase, to issue notes to that amount, and advance them to the owner of the land. "An acre of land rented at two bolls of victual, the victual at £8 and land at twenty years' purchase is equal in value to £20 and may be made money to that value, for it has all the qualities necessary in money."

Now, it would make no difference to the value of Law's money that it should be "backed" by the resources of the Mississippi Valley, or to the French revolutionary money that it should be a mortgage upon the national possessions, if the money were issued in too great a quantity in relation to the exchange of goods to be effected. Both of the moneys just mentioned became utterly worthless, although the whole resources of France and the French Empire did "stand back of" them. If the quantity had been limited it would not have mattered in the least that nothing stood behind them in the material sense. So long as they were legal currency, and their quantity was limited, their value would have been maintained. What wrecked them was their excessive quantity. If the effect of putting material wealth "behind" money is to limit the quantity, to cause it to bear some quantitative relation to goods, the device, of course, serves the purpose of limitation. But it is the limitation of quantity which constitutes the guarantee of its value. Ricardo saw this quite clearly when he wrote:

"There is no point more important in issuing paper money than to be fully impressed with the effects that follow from the principle of limitation of quantity. It is not necessary that paper should be payable in specie to secure its value; it is only necessary that its quantity should be regulated."

Can Be Slave or Master

Now this truth, that the value of money depends in the last analysis, not upon the material of which it is made, or upon being "backed" by this or that commodity, but upon its quantity, opens up great possibilities for man. He is not necessarily in this vital question of money the slave of a circumstance outside his control like the discovery or the failure to make adequate discovery of gold. He can control his money, make it his servant instead of his master, if he can learn the trick, the technique.

If he is to exercise that control to good effect, to use this instrument for welfare instead of clumsily injuring himself therewith, all must know something of "how it works."

Ashes of Ambition

I've just lived through a strange and exciting experience. For quite two weeks I ceased to be myself and became another sort of fellow entirely.

It started when I read a book on Efficiency and Success. It must have been a good book because it kindled fires of ambition in me that no one—no one at all—had ever suspected me of possessing . . . I became a burning torch of energy, a glutton for work, an embryonic man of destiny. It seemed obvious that I must end by becoming a prince of industry at least—maybe a dictator.

Then something happened—I dunno' exactly what—but I slumped back into my natural, leisurely self. Frankly, I like it better. It gives me more time to enjoy life, to savour the fragrance of my Bachelor and reflect that:

"IT'S GOOD TO GET BACK TO A 10c CIGAR"

WILSON'S **BACHELOR** Cigar

10¢

100% Havana Filler

Municipal Finances

Amherst, N.S., has been authorized to issue $15,000 of debentures for asphalt pavements.

* * *

Brandon, Man., budgetting for a deficit of $95,000, has struck its 1936 tax rate at 40 mills. In paring estimates, the city council cut salaries of civic employees seven per cent.

* * *

Brantford, Ont., kept its expenditures during the first quarter of 1936 well within estimates, actual expenses amounting to $208,495. Estimated expenditures for the three months were $369,094. Revenue for the quarter amounted to $147,443.

* * *

Drumheller, Alta., reduced its debentures in 1935 by $20,908. On general account the city had a surplus of $2,575. Operations of the waterworks department showed a net profit of $2,966 after operating charges, interest and sinking fund expenses.

* * *

Guelph, Ont., had a current deficit of $15,342 in 1935. Net debenture debt increased during the year by $236,097 to $2,054,335.

* * *

Kelowna, B.C., reports a deficit of $6,781 on general account in 1935. Net debenture debt as at Dec. 31, 1935, stood at $217,842, a reduction of $36,856.

* * *

Lachine, Que., reports a surplus of $25,687 on current account in 1935. Net debenture debt increased during the year by $158,547 to $4,322,382. At the same time other liabilities declined from $437,359 to $247,409.

Moose Jaw, Sask., has reduced its net debenture debt during the past three years by $230,684 to $3,434,673 and its floating liabilities by $197,208 to $1,103,844.

* * *

Middleton, N.S., has been authorized to issue $10,000 of debentures for the cost of improving and extending its sewerage system.

* * *

Mulgrave, N.S., has been authorized to issue debentures to an amount of $17,000 to defray the cost of an addition to the town's hydro plant.

* * *

Owen Sound, Ont., reports a surplus of $31,097 on general account in 1935. During the year net debenture debt was reduced by $115,845 to $776,019.

* * *

Ottawa, Ont., plans to refund $610,000 of its 1935 relief costs by issuing 5-year two per cent debentures. Subject to the approval of the Ontario Municipal Board, the city council has passed a by-law providing for the borrowing of $53,500 for installation of water mains, hydrants and fire services in the new Lakeside Park division.

* * *

Smiths Falls, Ont., had a surplus of $2,575 on general account in 1935. expenditures amounting to $99,283 and revenue to $101,858. Debenture debt as at Dec. 31, 1935, stood at $1,015,716.

* * *

St. Fulgence, Que., is paying interest coupons dated February, August and November, 1932.

* * *

Sherbrooke, Que., had a surplus on current account of $25,713 in 1935. Profits were shown by the city's three public utilities—waterworks, electric light and power and gas. Net debenture debt was reduced by $87,626 to $4,269,515.

* * *

Sault Ste. Marie, Ont., reports a slight improvement in tax collections in 1935. Total collections amounted to 98.6 per cent of the levy. Current collections were 75.4 per cent of the levy, compared with 74.1 per cent in 1934. During the year net debenture debt was reduced by $71,566 to $1,846,007.

* * *

School Commission of St. Honore (Chicoutimi), Que. is paying debenture coupons dated May 1 1932.

* * *

School Corp. of Jonquiere, Que., is paying interest coupons dated April 1, 1936.

* * *

Swift Current, Sask., reports a surplus of $5,376 in 1935. Net debenture debt at the end of the year was $1,084,624, an increase of $145,101 over the previous year.

* * *

Saanich, B.C., in striking its 1936 tax rate at 42 mills has ignored its sinking fund obligations for 1936 and has made no provision for the shortage already existent in the fund. This is the third successive year that sinking fund shortages have been ignored.

* * *

Trail, B.C., reports a deficit on general account in 1935 of $8,781. During the year net debenture debt was reduced by $60,000 to $631,154.

* * *

Victoriaville, Que., is seeking incorporation as a city. At the present time it has the status of a town.

* * *

Vancouver is watching the Alberta bond situation with a mixture of pleasure and anxiety. While the city would like to see refunding carried out, anxiety is felt with regard to the $1,190,000 of Alberta bonds which it holds in its treasury. Conversion of the bonds into stock bearing a low rate of interest will mean a substantial loss in sinking fund revenue. In addition, the bonds were purposely bought at maturity dates ranging from 1938 to 1967 to offset city debentures maturing in that period.

* * *

Valleyfield, Que., reports a surplus of $3,203 on general account in 1935. Debenture debt at the end of the year was $994,900. Temporary loans amount to $14,000.

* * *

Val d'Or, Que., has applied to the Quebec legislature for incorporation as a town. The present status is that of a village.

* * *

Yorkton, Sask., reports a surplus of $8,172 on general account in 1935. Debenture debt stands at $389,040. Of this amount, $86,096 consists of unsold debentures which have been deposited as security for a bank loan of $82,542.

J. C. Hanbury-Williams Joins Bank of England

Election of J. C. Hanbury-Williams as a director of the Bank of England is of interest in Canadian banking circles.

With two others, Mr. Hanbury-Williams was elected to the board to fill three vacancies caused by retirement and death. He is a son of Sir John Hanbury-Williams, one-time military secretary to the then Governor-General Earl Gray. The new director is also on the board of Courtaulds. He is a nephew of Charles Hanbury-Williams of Ottawa, where he has been a visitor on many occasions.

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